

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

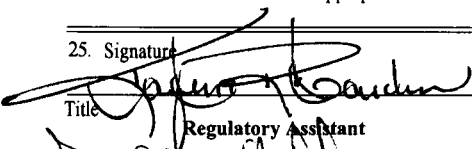
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

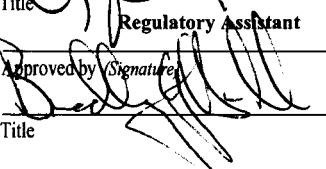
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|--|--|--|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. U-01304 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator EOG RESOURCES, INC. | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address P.O. Box 1815 Vernal Ut 84078 | 3b. Phone No. (include area code) 435-789-0790 | 8. Lease Name and Well No. EAST CHAPITA 43-05 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2002 FSL 649 FWL (NW/SW) 40.063236 LAT 109.357989 LON At proposed prod. zone SAME <i>640099X 40.063265 4435862Y -109.357227</i> | | 9. API Well No. 43047-38144 |
| 14. Distance in miles and direction from nearest town or post office* 50.6 MILES SOUTH OF VERNAL, UTAH | | 10. Field and Pool, or Exploratory NATURAL BUTTES UNIT |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 649' 638' | 16. No. of acres in lease 2451 | 11. Sec., T. R. M. or Blk. and Survey or Area SECTION 5, T9S, R23E S.L.B&M |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1270' | 19. Proposed Depth 9550' | 12. County or Parish UINTAH |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4879' GL | 22. Approximate date work will start* | 13. State UT |
| 23. Estimated duration 45 DAYS | | |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

| | | |
|---|---|---------------------------|
| 25. Signature  | Name (Printed/Typed) Kaylene R. Gardner | Date 05/24/2006 |
| Title Regulatory Assistant | | |

| | | |
|--|--|-------------------------|
| Approved by Signature  | Name (Printed/Typed) BRADLEY G. HILL | Date 05-30-06 |
| Title ENVIRONMENTAL MANAGER | | |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action Is Necessary

RECEIVED

MAY 25 2006

DIV. OF OIL, GAS & MINING

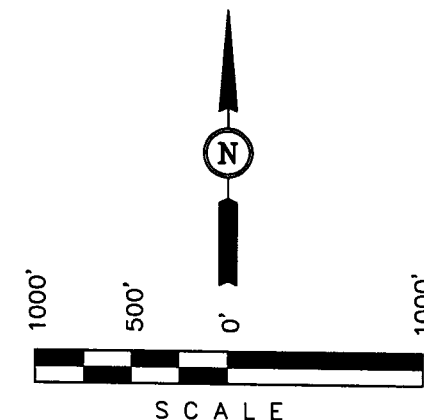
T9S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, EAST CHAPITA #43-5, located as shown in the NW 1/4 SW 1/4 of Section 5, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



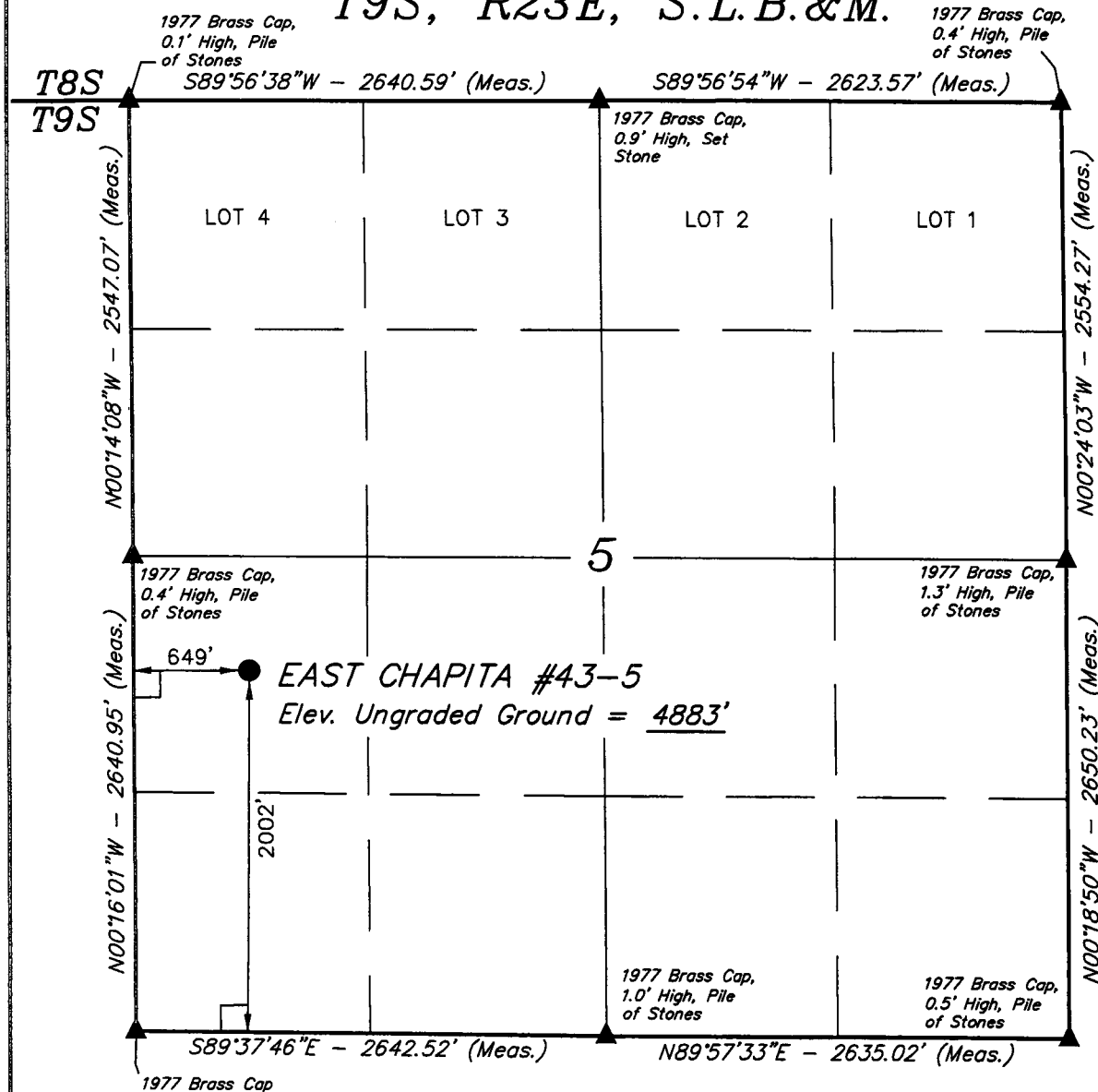
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)
 LATITUDE = 40°03'47.65" (40.063236)
 LONGITUDE = 109°21'28.76" (109.357989)
 (NAD 27)
 LATITUDE = 40°03'47.78" (40.063272)
 LONGITUDE = 109°21'26.31" (109.357308)

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

| | | |
|-------------------------|-----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 04-12-06 | DATE DRAWN: 04-19-06 |
| PARTY B.J. T.C. S.L. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN

EAST CHAPITA 43-05

NW/SW, SEC. 5, T9S, R23E, S.L.B.&M..

UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | DEPTH (KB) |
|------------------------|-------------------|
| Green River FM | 1,955' |
| Wasatch | 4,906' |
| Chapita Wells | 5,535' |
| Buck Canyon | 6,206' |
| North Horn | 6,840' |
| Island | 7,180' |
| KMV Price River | 7,398' |
| KMV Price River Middle | 8,079' |
| KMV Price River Lower | 8,878' |
| Sego | 9,353' |

Estimated TD: **9,550' or 200'± below Sego top**

Anticipated BHP: 5,215 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

| | <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> | | |
|-------------|-------------------------|------------------------|--------------------|----------------------|---------------------|----------------------|-----------------------------|---------------------|-----------------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| Conductor: | 17 ½" | 0' – 45' | 13 ⅜" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12-1/4" | 45' – 2,300'KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production: | 7-7/8" | 2,300'± – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.
All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

EIGHT POINT PLAN
EAST CHAPITA 43-05
NW/SW, SEC. 5, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

Float Equipment: (Cont'd)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.
Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
Cement Bond / Casing Collar Locator and Pulsed Neutron

EIGHT POINT PLAN
EAST CHAPITA 43-05
NW/SW, SEC. 5, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: 150 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 894 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9 gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.
Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

EIGHT POINT PLAN
EAST CHAPITA 43-05
NW/SW, SEC. 5, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)



***EAST CHAPITA 43-05
NWSW, Section 5, T9S, R23E
Uintah County, Utah***

SURFACE USE PLAN

NOTIFICATION REQUIREMENTS

- | | |
|----------------------------------|--|
| Location Construction: | Forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion: | Prior to moving on the drilling rig. |
| Spud Notice: | At least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing: | Twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and related Equipment Tests: | Twenty-four (24) hours prior to running casing and tests. |
| First Production Notice: | Within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 1056 feet long with a 30-foot right-of-way, disturbing approximately 0.73 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 2.57 acres. The pipeline is approximately 1466 feet long within Federal Lease U-01304 disturbing approximately 1.35 acres.

1. EXISTING ROADS:

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 50.6 miles south of Vernal, Utah – See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The access road will be approximately 1056' in length.
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade of the new access road will be 8 percent.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

All travel will be confined to existing access road right-of-way.

New or reconstructed roads will be centerlined – flagged at time of location staking.

The road shall be constructed/upgraded to meet the standards to the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be

designed so they will not cause siltation or accumulation or debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

- A. Abandoned Wells – 0*
- B. Producing Wells – 5*
- C. Shut-in Wells – 0*

(See attached TOPO map "C" for the location of wells within a one-mile radius.)

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and attaching piping.
2. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. The length of the new proposed pipeline is 1466' x 40'. The proposed pipeline leaves the eastern edge of the well pad (Lease U-01304) proceeding in a westerly direction for an approximate distance of 1466' tying into existing pipeline located in the NESE of Section 6, T9S, R23E. Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lok, electric weld with a 35 mil X-Tru coating. An offlease right-of-way will not be required.
3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface

4. Protective measures and devices for livestock and wildlife will be taken and /or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All existing facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501. Water will be hauled by a licensed trucking company.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.
2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace

Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge.

A plastic nylon reinforced liner will be used. It will be a minimum of 12 mil thickness with sufficient bedding (i.e. weed free straw, or hay; felt; or soil) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the northwest corner of the location. The flare pit will be located downwind of the prevailing wind direction on the north side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil east of corner #5. The stockpiled location topsoil will be stored between corners #6 and #8, corner #4 and the access road. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the west.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

| Seed Mixture | Drilled Rate (lbs./acre PLS*) |
|-----------------------|--|
| HY Crested Wheatgrass | 6.0 |
| Needle & Thread Grass | 6.0 |

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

| Seed Mixture | Drilled Rate (lbs./acre PLS*) |
|-----------------------|--|
| Four Wing Saltbush | 3.0 |
| Indian Rice Grass | 2.0 |
| Needle & Thread Grass | 2.0 |
| Crested Wheatgrass | 1.0 |
| Globe Mallow | 1.0 |

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage

on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and "Right-of-Way grant", if applicable, will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources and paleontology survey will be conducted and submitted by Montgomery Archaeological Consultants.

Additional stipulations

No construction or drilling activities shall be conducted May 15th through June 20th due to Antelope stipulations.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Kaylene R. Gardner
EOG Resources, Inc.
P.O. Box 1815
Vernal, Ut 84078
(435) 781-9111

DRILLING OPERATIONS

Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the East Chapita 43-05 Well, located in the NW/SW, of Section 5, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

May 24, 2006
Date


Kaylene R. Gardner Regulatory Assistant

Request for Exception to Buried Pipeline Requirement
EAST CHAPITA 43-05
NW/SW, Sec. 5, T9S, R23E
Lease Number U-01304

EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 50' X Length acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

EOG RESOURCES, INC.

EAST CHAPITA #43-5

LOCATED IN UINTAH COUNTY, UTAH
SECTION 5, T9S, R23E, S.L.B.&M.

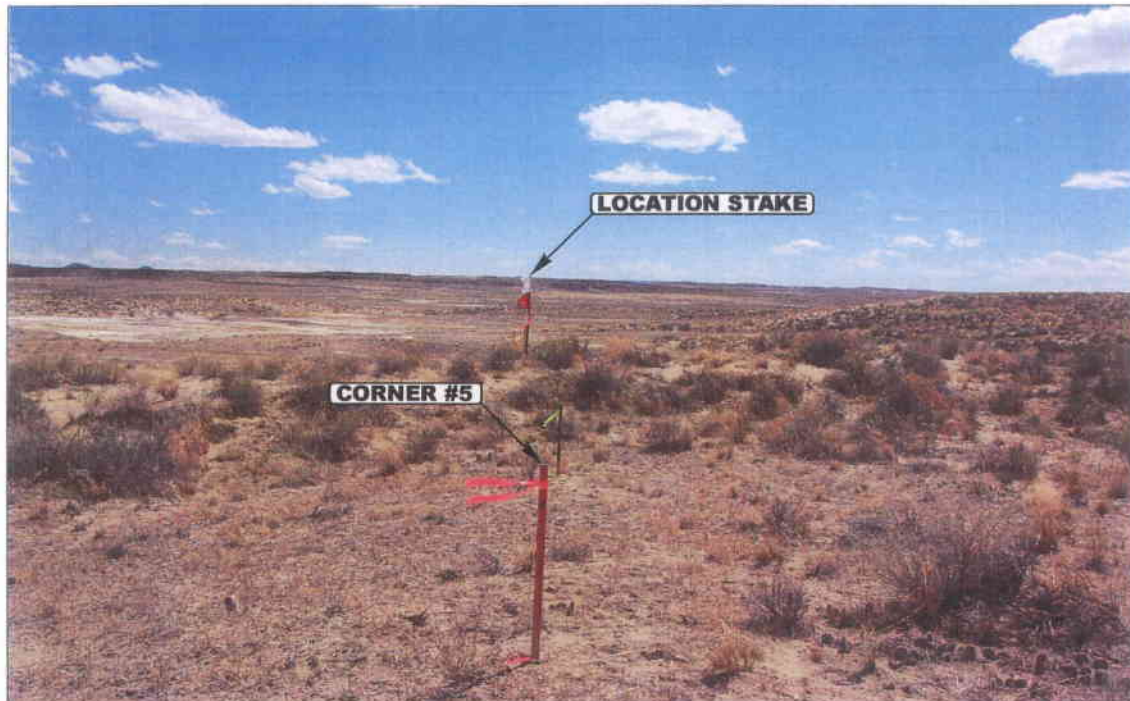


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

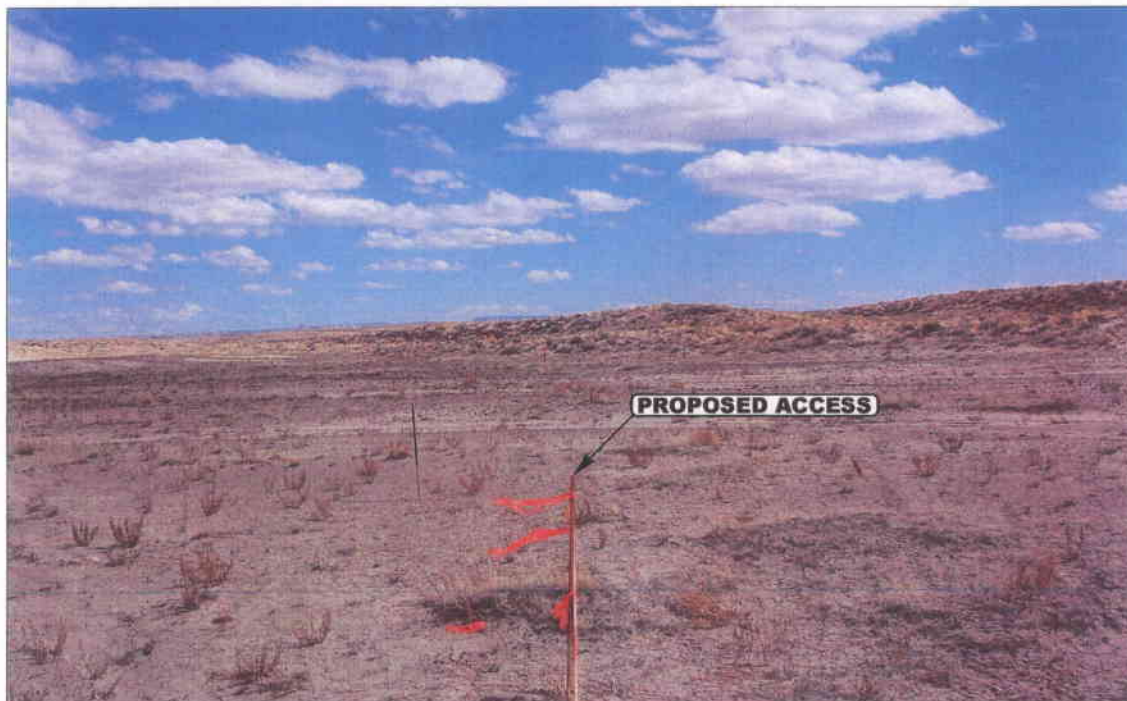


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

04 20 06
MONTH DAY YEAR

PHOTO

TAKEN BY: B.J.

DRAWN BY: B.C.

REVISED: 00-00-00

EOG RESOURCES, INC.

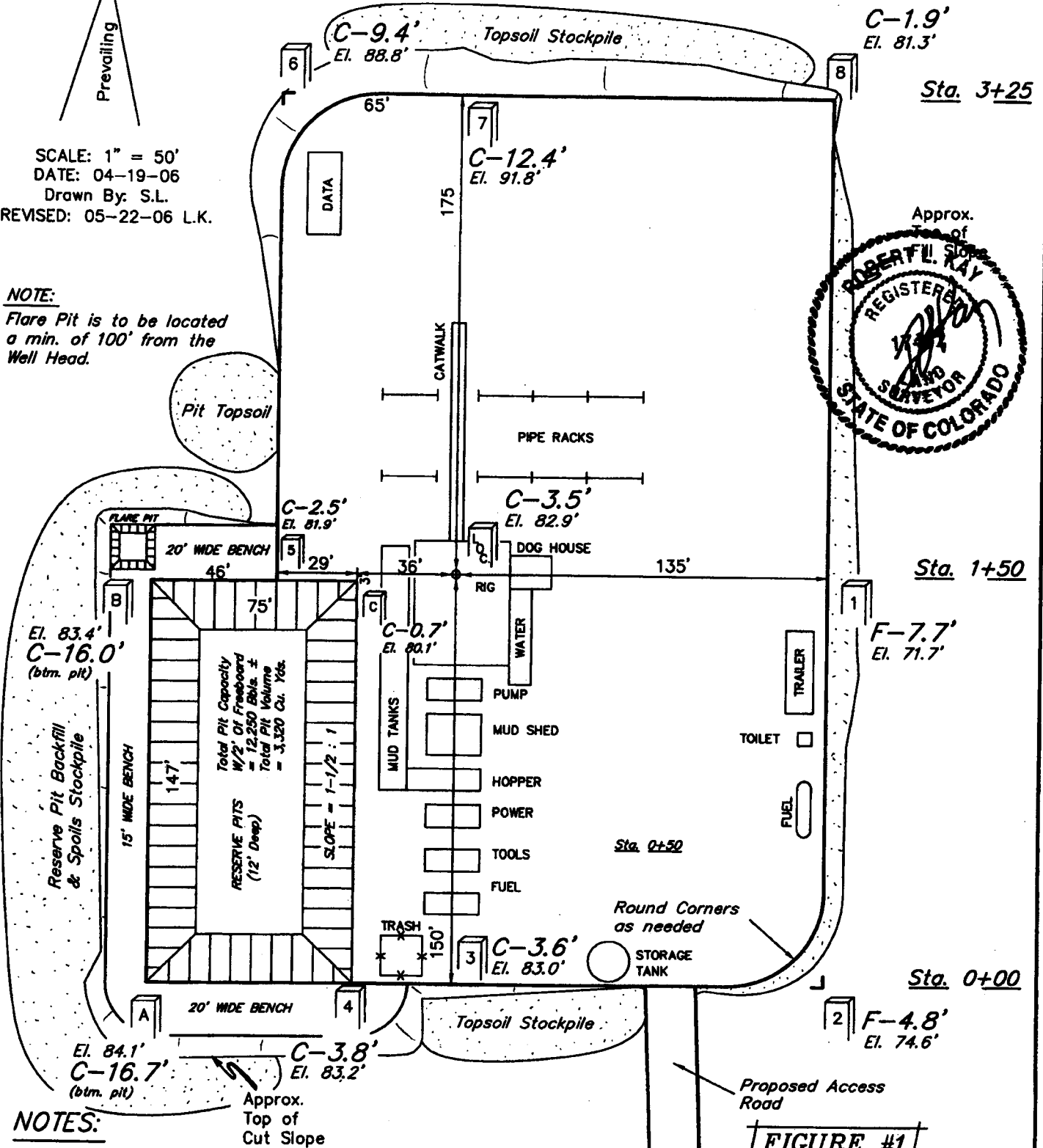
LOCATION LAYOUT FOR

EAST CHAPITA #43-5
SECTION 5, T9S, R23E, S.L.B.&M.
2002' FSL 649' FWL

SCALE: 1" = 50'
DATE: 04-19-06
Drawn By: S.L.
REVISED: 05-22-06 L.K.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4882.9'

FINISHED GRADE ELEV. AT LOC. STAKE = 4879.4'

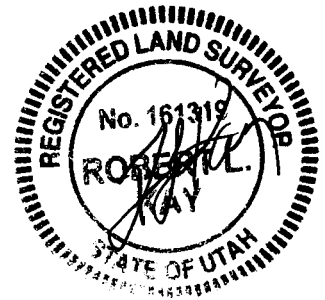
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

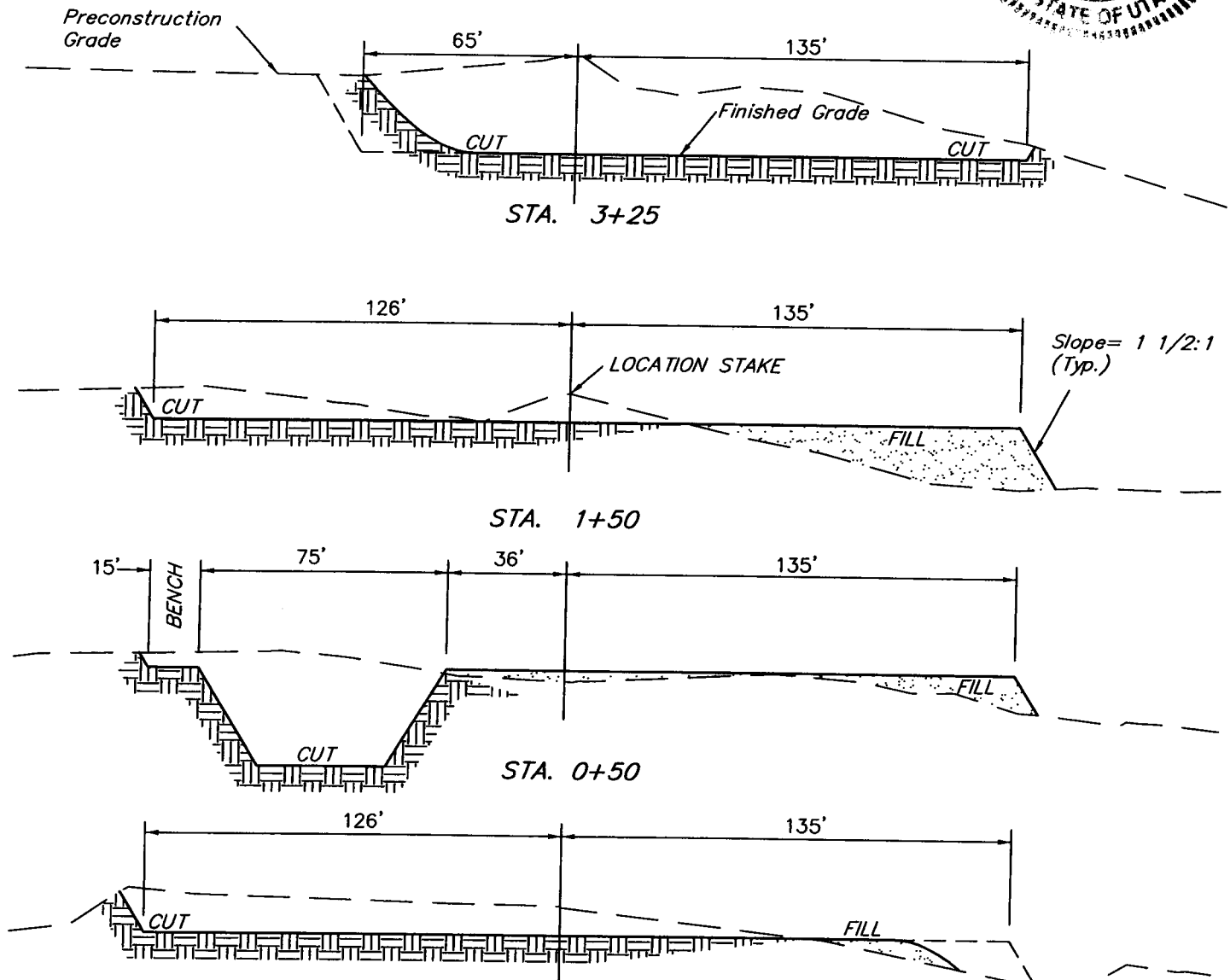
EAST CHAPITA #43-5
SECTION 5, T9S, R23E, S.L.B.&M.
2002' FSL 649' FWL

FIGURE #2



1" = 20'
X-Section
Scale
1" = 50'

DATE: 04-19-06
Drawn By: S.L.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,620 Cu. Yds.
Remaining Location = 7,140 Cu. Yds.

TOTAL CUT = 8,760 CU.YDS.

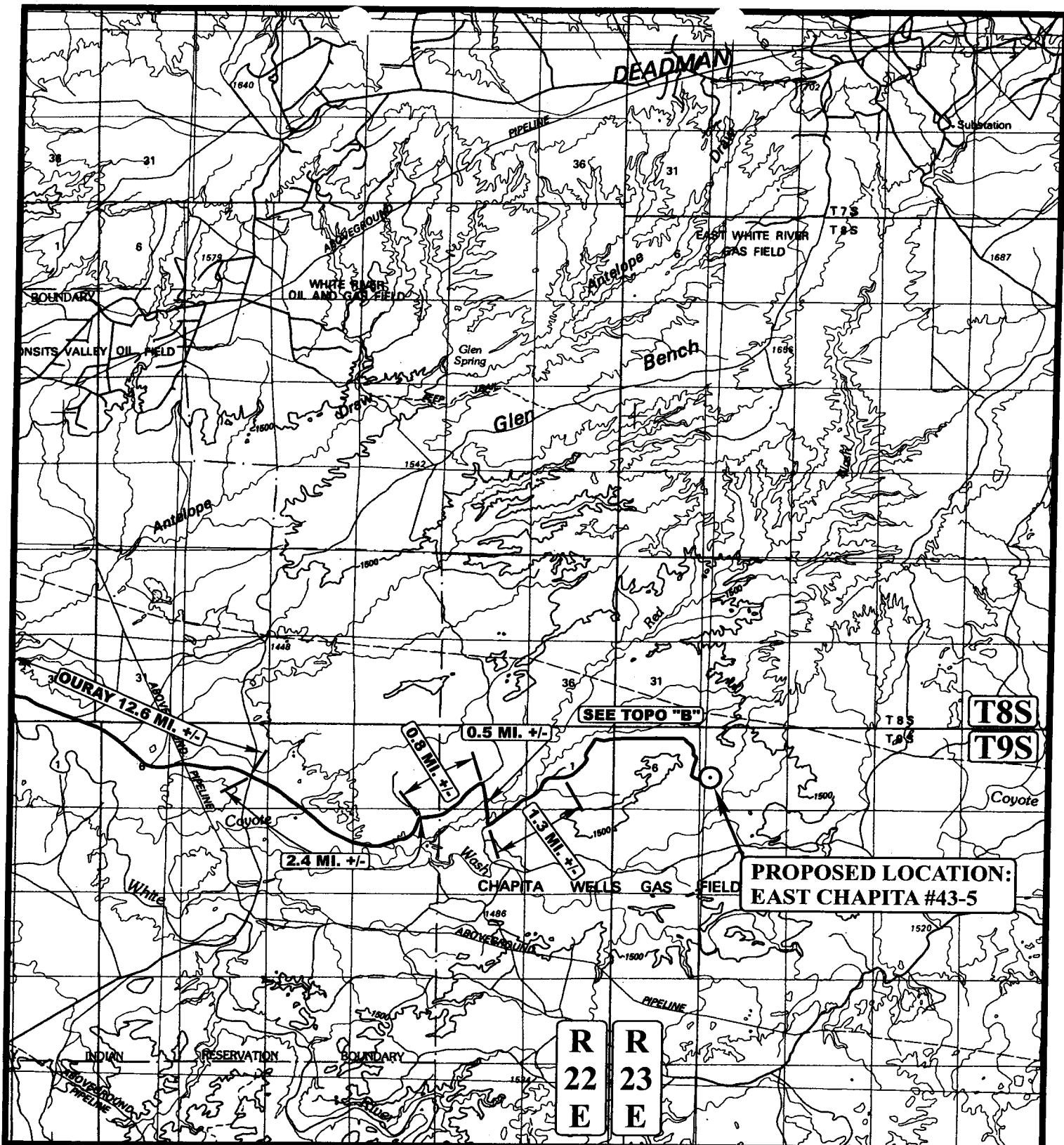
FILL = 5,480 CU.YDS.

EXCESS MATERIAL = 3,280 Cu. Yds.

Topsoil & Pit Backfill = 3,280 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

⊙ PROPOSED LOCATION



EOG RESOURCES, INC.

EAST CHAPITA #43-5
SECTION 5, T9S, R23E, S.L.B.&M.
2002' FSL 649' FWL



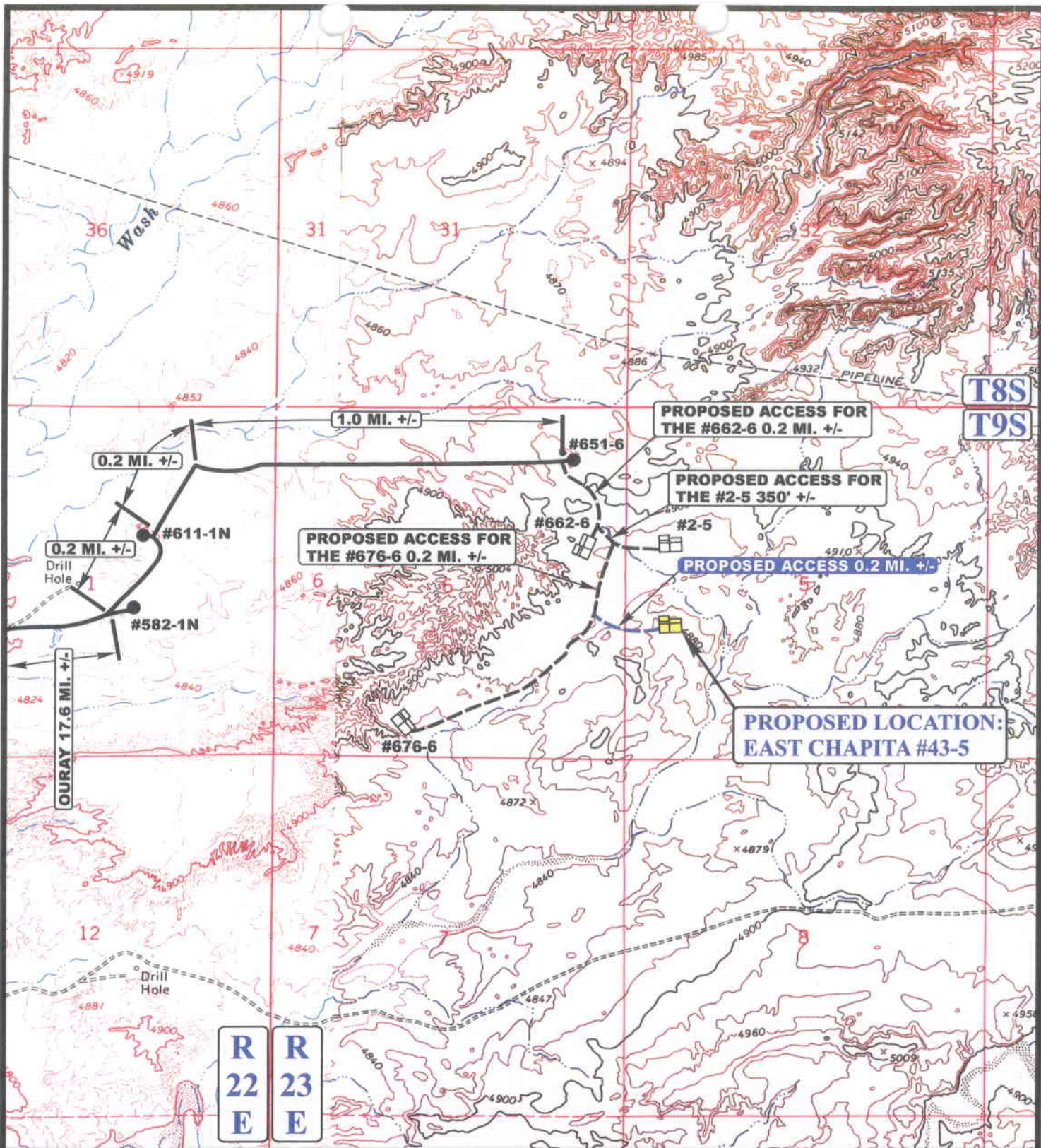
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

04 20 06
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: B.C. REVISED: 00-00-00





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD



EOG RESOURCES, INC.

EAST CHAPITA #43-5
 SECTION 5, T9S, R23E, S.L.B.&M.
 2002' FSL 649' FWL



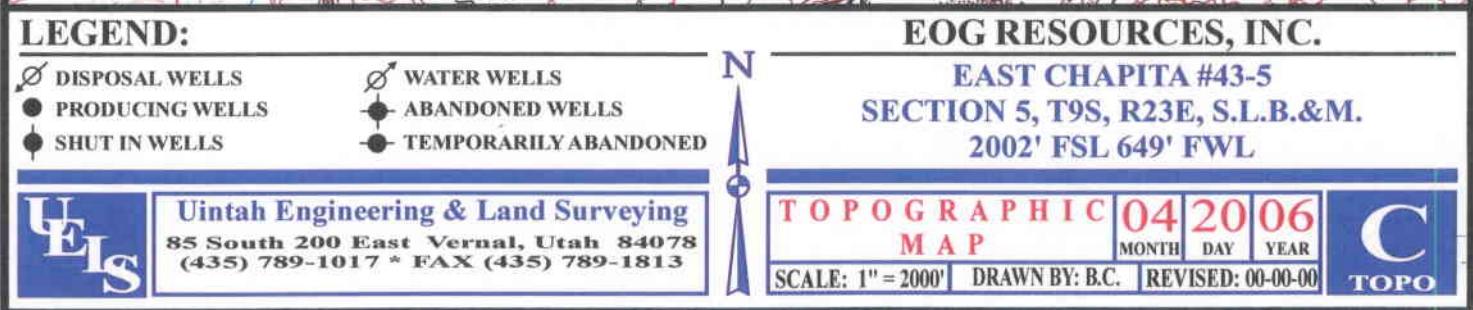
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

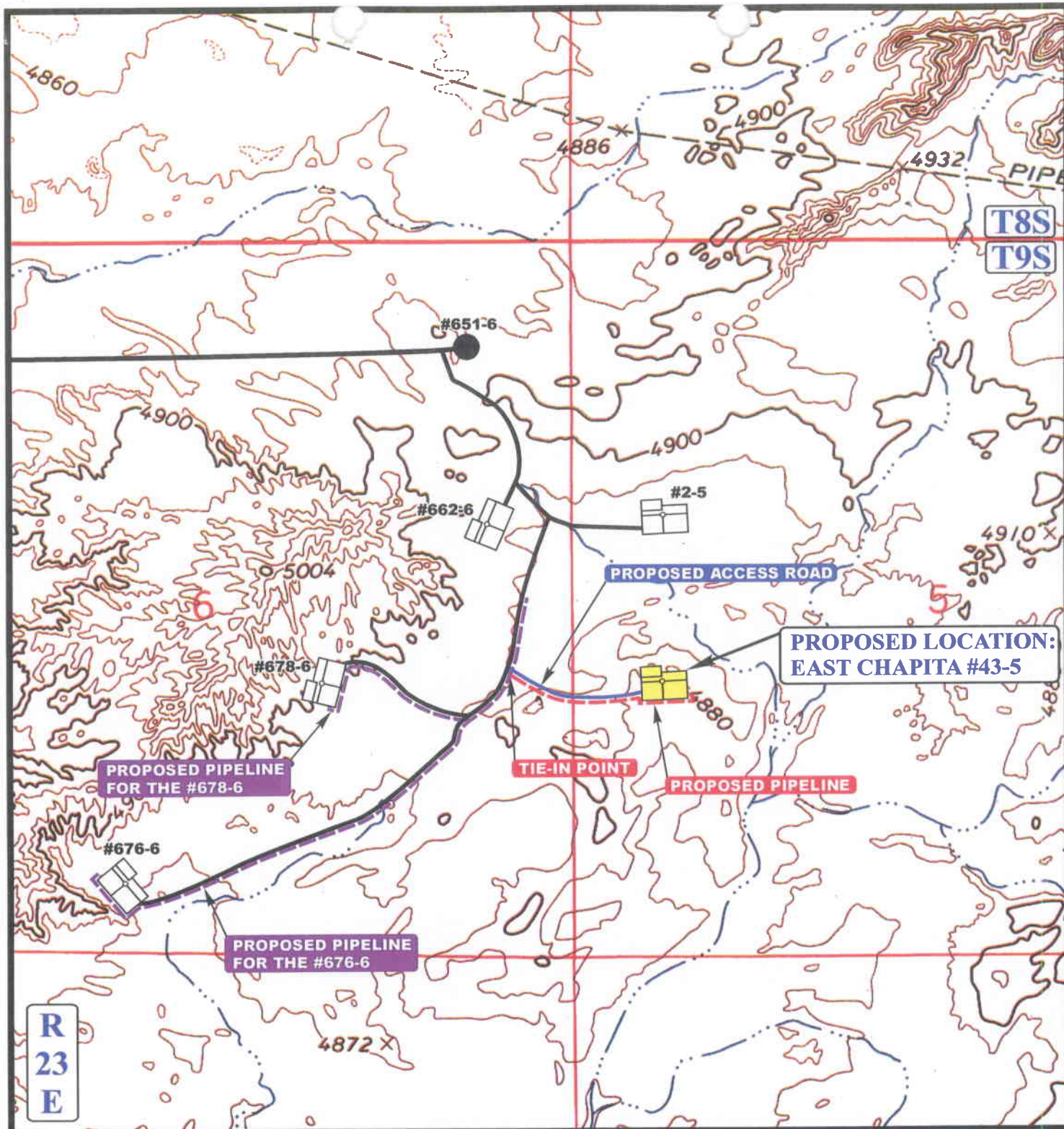
TOPOGRAPHIC
 MAP

04 20 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00







APPROXIMATE TOTAL PIPELINE DISTANCE = 1,466' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



EOG RESOURCES, INC.

EAST CHAPITA #43-5
SECTION 5, T9S, R23E, S.L.B.&M.
2002' FSL 649' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

04 20 06
 MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: B.C.

REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/25/2006

API NO. ASSIGNED: 43-047-38144

WELL NAME: E CHAPITA 43-05

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: KAYLENE GARDNER

PHONE NUMBER: 435-789-0790

PROPOSED LOCATION:

NWSW 05 090S 230E

SURFACE: 2002 FSL 0649 FWL

BOTTOM: 2002 FSL 0649 FWL

COUNTY: Uintah

LATITUDE: 40.06327 LONGITUDE: -109.3573

UTM SURF EASTINGS: 640099 NORTHINGS: 4435862

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-01304

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM 2308)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 49-1501)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: _____

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

Eff Date: _____

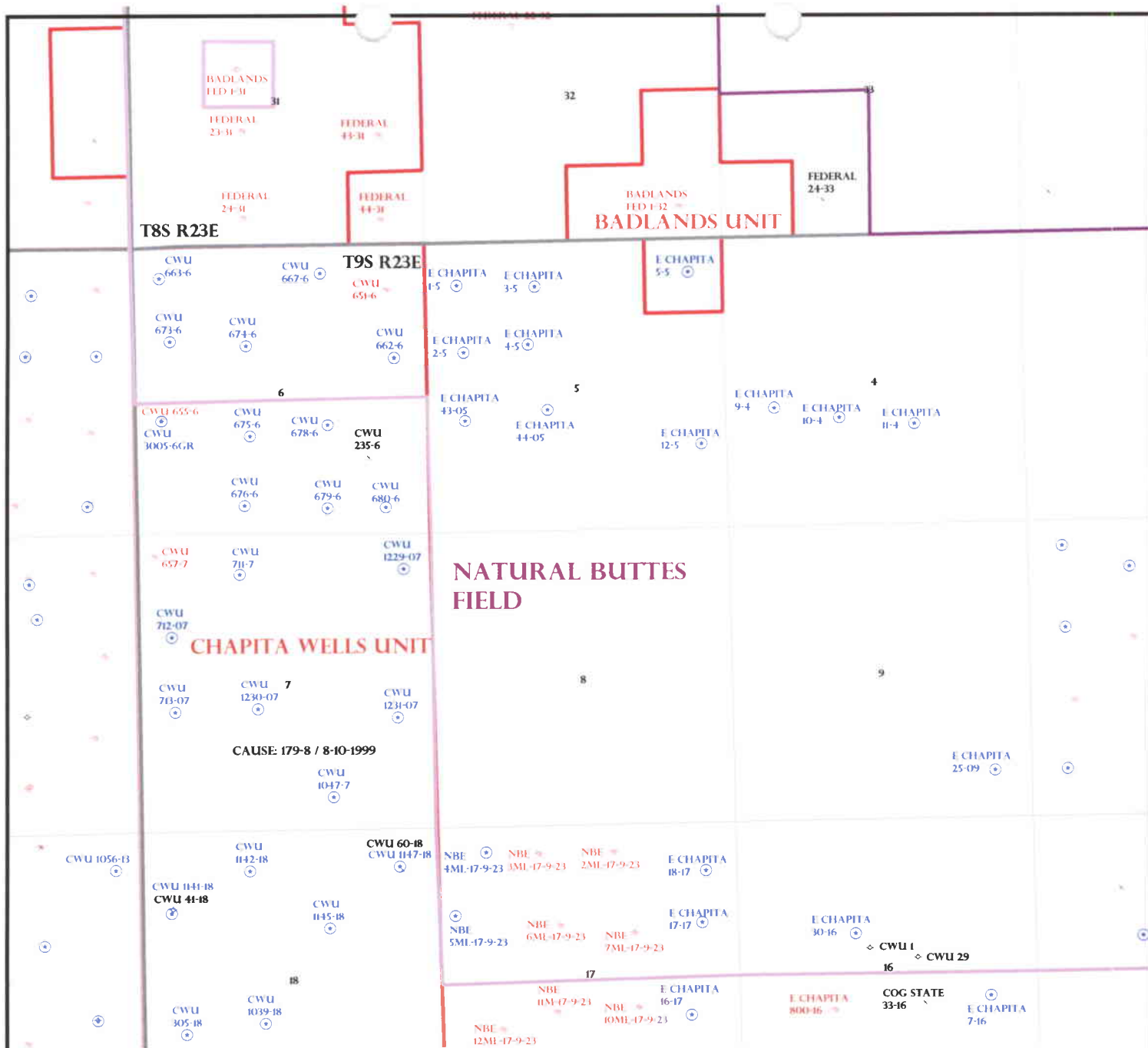
Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spring Whp



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 5,9 T. 9S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERMAL
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✱ LOCATION ABANDONED
- ✱ NEW LOCATION
- ✱ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- ✱ PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✱ TEMP. ABANDONED
- ✱ TEST WELL
- ✱ WATER INJECTION
- ✱ WATER SUPPLY
- ✱ WATER DISPOSAL
- ✱ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 26-MAY-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 30, 2006

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: East Chapita 43-05 Well, 2002' FSL, 649' FWL, NW SW, Sec. 5, T. 9 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38144.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt", with a stylized flourish at the end.

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.
Well Name & Number East Chapita 43-05
API Number: 43-047-38144
Lease: U-01304

Location: NW SW **Sec.** 5 **T.** 9 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

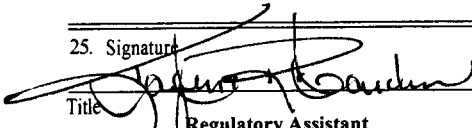
APPLICATION FOR PERMIT TO DRILL OR REENTER

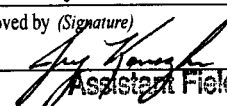
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

| | | |
|--|--|--|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. U-01304 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator EOG RESOURCES, INC. | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address P.O. Box 1815 Vernal Ut 84078 | 3b. Phone No. (include area code) 435-789-0790 | 8. Lease Name and Well No. EAST CHAPITA 43-05 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2002 FSL 649 FWL (NW/SW) 40.063236 LAT 109.357989 LON At proposed prod. zone SAME | | 9. API Well No. 43-047-38144 |
| 10. Field and Pool, or Exploratory NATURAL BUTTES UNIT | | 11. Sec., T. R. M. or Blk. and Survey or Area SECTION 5, T9S, R23E S.L.B&M |
| 12. County or Parish UINTAH | | 13. State UT |
| 14. Distance in miles and direction from nearest town or post office* 50.6 MILES SOUTH OF VERNAL, UTAH | 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 649' 638' | 16. No. of acres in lease 2451 |
| 17. Spacing Unit dedicated to this well 40 | 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1270' | 19. Proposed Depth 9550' |
| 20. BLM/BIA Bond No. on file NM 2308 | 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4879' GL | 22. Approximate date work will start* |
| 23. Estimated duration 45 DAYS | 24. Attachments | |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

| | | |
|--|---|---------------------------|
| 25. Signature  | Name (Printed Typed) Kaylene R. Gardner | Date 05/24/2006 |
| Title Regulatory Assistant | | |

| | | |
|--|---|--------------------------------------|
| Approved by (Signature)  | Name (Printed Typed) JERRY KENCILLA | Date 1-23-2007 |
| Title Assistant Field Manager Lands & Mineral Resources | | Office VERNAL FIELD OFFICE |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

06BM1659A

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NOTICE OF APPROVAL

RECEIVED

JAN 30 2007

DIV. OF OIL, GAS & MIN.

DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT.

2006 MAY 25 PM 5:08

RECEIVED
VERNAL FIELD OFFICE

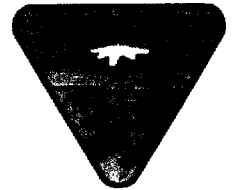
UDOGM

NDS 05/04/06



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: EOG Resources, Inc.
Well No: East Chapita 43-05
API No: 43-047-38144

Location: NWSW, Sec 5, T9S, R23E
Lease No: UTU-01304
Agreement: N/A

| | | | |
|--|-----------------|----------------------|--------------------|
| Petroleum Engineer: | Matt Baker | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer: | Michael Lee | Office: 435-781-4432 | Cell: 435-828-7875 |
| Petroleum Engineer: | Jim Ashley | Office: 435-781-4470 | |
| Petroleum Engineer: | Ryan Angus | Office: 435-781-4430 | |
| Supervisory Petroleum Technician: | Jamie Sparger | Office: 435-781-4502 | Cell: 435-828-3913 |
| Environmental Scientist: | Paul Buhler | Office: 435-781-4475 | Cell: 435-828-4029 |
| Environmental Scientist: | Karl Wright | Office: 435-781-4484 | |
| Natural Resource Specialist: | Holly Villa | Office: 435-781-4404 | |
| Natural Resource Specialist: | Melissa Hawk | Office: 435-781-4476 | |
| Natural Resource Specialist: | Chuck Macdonald | Office: 435-781-4441 | |
| Natural Resource Specialist: | Darren Williams | Office: 435-781-4447 | |
| Natural Resource Specialist: | Verlyn Pindell | Office: 435-781-3402 | |
| After Hours Contact Number: 435-781-4513 | | Fax: 435-781-4410 | |

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | |
|---|--|
| Location Construction (Notify Paul Buhler) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion (Notify Paul Buhler) | - Prior to moving on the drilling rig. |
| Spud Notice (Notify Petroleum Engineer) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing (Notify Jamie Sparger) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests (Notify Jamie Sparger) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice (Notify Petroleum Engineer) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:

9 lbs of Hycrest Crested Wheatgrass and 3 lbs of Kochia Prostrata.
2. The buried pipeline exception request has been received. It has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for a surface pipeline.
3. Modify the top soil pile: place it between stake 3 and the road, and stake 8. Construct a reservoir near corner B and stake 6 – use cobble stone as a spillway. Gather up the galvanized culvert that blew from location EC 1-5.
4. If paleontological materials are uncovered during construction, the operator is to immediately stop work, and contact the Authorized Officer (AO). A report will be prepared by the Paleontologist and submitted to the BLM at the completion of surface disturbing activities.
5. Operator shall notify any active gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during construction for this well.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. A surface casing shoe integrity test shall be performed.
2. A variance is granted for Onshore Order #2-Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.
3. Production casing cement shall be at a minimum 200 feet inside the surface casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

Cement baskets shall not be run on surface casing.

5. The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).
6. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
7. The lessee/operator must report encounters of all non oil and gas mineral resources (such as gilsonite, tar sands, oil shale, etc.) to the Vernal Field Office in writing within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
8. No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
9. Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

10. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys,

sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.

11. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

12. Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
13. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
14. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (1/4 1/4, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

- f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
- 15. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- 16. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
- 17. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- 18. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-01304 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000N CITY Denver STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,002' FSL & 649' FWL 40.063236 LAT 109.357989 LON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 5 9S 23E S.L.B. & M. | | 8. WELL NAME and NUMBER: East Chapita 43-05 |
| PHONE NUMBER: (303) 262-2812 | | 9. API NUMBER: 43-047-38144 |
| | | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes |
| | | COUNTY: Uintah |
| | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION REQUEST</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-04-07
By: [Signature]

6:4:07
RM

| | |
|---|-------------------------------|
| NAME (PLEASE PRINT) <u>Carrie MacDonald</u> | TITLE <u>Operations Clerk</u> |
| SIGNATURE <u>[Signature]</u> | DATE <u>5/23/2007</u> |

(This space for State use only)

RECEIVED
MAY 25 2007
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38144
Well Name: EAST CHAPITA 43-05
Location: 2002 FSL 649 FWL (NWSW), SECTION 5, T9S, R23E S.L.B.&M.
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 5/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

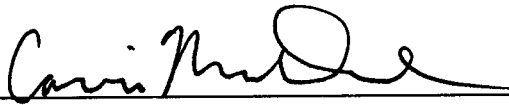
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

5/23/2007

Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

RECEIVED

MAY 25 2007

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: E CHAPITA 43-05

Api No: 43-047-38144 Lease Type: FEDERAL

Section 05 Township 09S Range 23E County UINTAH

Drilling Contractor CRAIG'S ROUSTABOUT SERV RIG # RATHOLE

SPUDDED:

Date 01/09/08

Time 5:00 PM

How DRY

Drilling will Commence: _____

Reported by JERRY BARNES

Telephone # (435) 828-1720

Date 01/10/08 Signed CHD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|---|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU01304 |
| 2. Name of Operator EOG RESOURCES INC | | 6. If Indian, Allottee or Tribe Name |
| Contact: MARY A MAESTAS E-Mail: mary_maestas@eogresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202 | 3b. Phone No. (include area code) Ph: 303-824-5526 | 8. Well Name and No. EAST CHAPITA 43-05 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T9S R23E NWSW 2002FSL 649FWL 40.06324 N Lat, 109.35799 W Lon | | 9. API Well No. 43-047-38144 |
| | | 10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

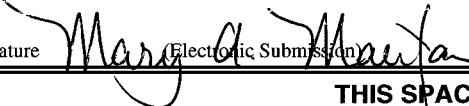
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Well Spud |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well spud on 1/9/2008.

RECEIVED
JAN 16 2008

DIV. OF OIL, GAS & MINING

| | |
|---|----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #57951 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal | |
| Name (Printed/Typed) MARY A MAESTAS | Title REGULATORY ASSISTANT |
| Signature  (Electronic Submission) | Date 01/10/2008 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office _____ |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|---|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU01304 |
| 2. Name of Operator EOG RESOURCES INC | | 6. If Indian, Allottee or Tribe Name |
| Contact: MARY A MAESTAS E-Mail: mary_maestas@eogresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202 | 3b. Phone No. (include area code) Ph: 303-824-5526 | 8. Well Name and No. EAST CHAPITA 43-05 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T9S R23E NWSW 2002FSL 649FWL 40.06324 N Lat, 109.35799 W Lon | | 9. API Well No. 43-047-38144 |
| | | 10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

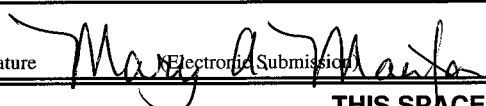
EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

1. Natural Buttes Unit 21-20B SWD
2. Chapita Wells Unit 550-30N SWD
3. Chapita Wells Unit 2-29 SWD
4. Red Wash Evaporation ponds 1, 2, 3 & 4
5. RN Industries

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED
JAN 16 2008

DIV. OF OIL, GAS & MINING

| | |
|---|----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #57953 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal | |
| Name (Printed/Typed) MARY A MAESTAS | Title REGULATORY ASSISTANT |
| Signature  | Date 01/10/2008 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office _____ |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

JAN 07 2008

5. Lease Serial No.
UTU01304

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

BLM

| | | |
|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. EAST CHAPITA 43-05 |
| 2. Name of Operator EOG RESOURCES INC | | 9. API Well No. 43-047-38144-00-X1 |
| 3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 | | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| 3b. Phone No. (include area code) Ph: 435-781-9111 | | 11. County or Parish, and State UINTAH COUNTY, UT |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T9S R23E NWSW 2002FSL 649FWL | | |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original A |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | PD |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. respectfully requests the APD for the referenced well, originally approved 1/22/2007 be extended for one year.

VERNAL DIST.

ENG. _____

GEOL. _____

E.S. _____

PET. _____

A.M. _____


CONDITIONS OF APPROVAL ATTACHED

RECEIVED

JAN 18 2008

| | | |
|--|---------------------------------|---------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #57874 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal Committed to AFMSS for processing by GAIL JENKINS on 01/07/2008 (08GXJ1381SE) | | DIV. OF OIL, GAS & MINING |
| Name (Printed/Typed) KAYLENE R GARDNER | Title LEAD REGULATORY ASSISTANT | |
| Signature _____ (Electronic Submission) | Date 01/07/2008 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------|------------|
| Approved By  | Title Petroleum Engineer | JAN 8 2008 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UDOGM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

CONDITIONS OF APPROVAL

EOG Resources, Inc.

Notice of Intent APD Extension

Lease: UTU-01304
Well: EC 43-05
Location: NWSW Sec 5-T9S-R23E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 1/22/09.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Ryan Angus of this office at (435) 781-4430

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc. Operator Account Number: N 9550
Address: 600 17th St., Suite 1000N
city Denver
state CO zip 80202 Phone Number: (303) 824-5526

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|----------------------------|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-38898 | Hoss 50-29 | | SWNW | 29 | 8S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 99999 | 16600 | 1/9/2008 | | 1/17/08 | | |
| Comments: <u>PRRU=MVRD</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|----------------------------|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-38144 | East Chapita 43-05 | | NWSW | 5 | 9S | 23E | Uintah |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| A | 99999 | 16601 | 1/9/2008 | | 1/17/08 | | |
| Comments: <u>PRRU=MVRD</u> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---------------|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| | | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| | | | | | | | |
| Comments: | | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Mary A. Maestas

Name (Please Print)

Signature

Regulatory Assistant

Title

1/10/2008

Date

RECEIVED

JAN 10 2008

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|---|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU01304 |
| 2. Name of Operator EOG RESOURCES, INC | | 6. If Indian, Allottee or Tribe Name |
| Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 600 17TH STREET SUITE 1000 N. DENVER, CO 80202 | 3b. Phone No. (include area code) Ph: 303-824-5526 | 8. Well Name and No. EAST CHAPITA 43-05 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T9S R23E NWSW 2002FSL 649FWL 40.06324 N Lat, 109.35799 W Lon | | 9. API Well No. 43-047-38144 |
| | | 10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Subsurface Commingling |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests authorization for commingling of production from the Wasatch and Mesaverde formations in the referenced wellbore. In the event allocation of production is necessary, the allocation will be based on proportionate net pay as calculated from cased-hole logs. Production from the Wasatch and Mesaverde formations will be commingled in the wellbore and produced through open-ended 2-3/8" tubing landed below all perforations in the 4-1/2" production casing.

Attached is a map showing the location of all wells on contiguous oil and gas leases or drilling units and an affidavit showing that this application has been provided to owners of all contiguous oil and gas leases or drilling units overlying the pool.

RECEIVED

APR 17 2008

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

| | | |
|--|----------------------------|-----------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #59671 verified by the BLM Well Information System For EOG RESOURCES, INC, sent to the Vernal | | Date: <u>5.6.2008</u> |
| Name (Printed/Typed) MARY A. MAESTAS | Title REGULATORY ASSISTANT | Initials: <u>KS</u> |
| Signature <u>Mary A. Maestas</u> (Electronic Submission) | Date 04/14/2008 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|--|---|
| Approved By _____ | Accepted by the Utah Division of Oil, Gas and Mining Office _____ Date <u>5/2/08</u> | Federal Approval Of This Action Is Necessary |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | | |

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

STATE OF COLORADO)

) ss

COUNTY OF DENVER)

VERIFICATION

Mary A. Maestas, of lawful age, being first duly sworn upon oath, deposes and says:

She is a Regulatory Assistant of EOG Resources, Inc., of Denver, Colorado. EOG Resources, Inc. is the operator of the following described well:

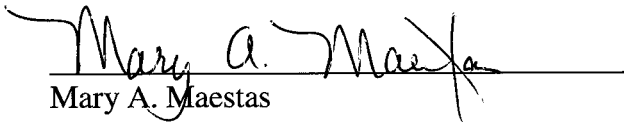
**EAST CHAPITA 43-05
2002' FSL – 649' FWL (NWSW)
SECTION 5, T9S, R23E
UINTAH COUNTY, UTAH**

EOG Resources, Inc., and Kerr-McGee Oil & Gas Onshore LP, Exhibit A, are the only owners in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool.

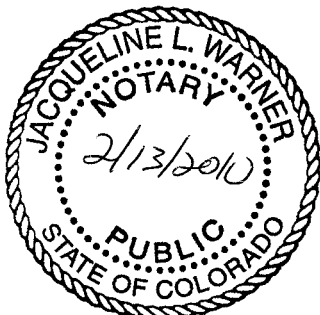
On the 14th day of April, 2008 she placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling in one wellbore for the subject well.

Said envelope, which contained these instruments, was addressed to the Utah Division of Oil, Gas & Mining, Bureau of Land Management, and Kerr-McGee Oil & Gas Onshore LP.

Further affiant saith not.


Mary A. Maestas
Regulatory Assistant

Subscribed and sworn before me this 14th day of April, 2008.




Notary Public

Exhibit "A" to Affidavit
East Chapita 43-05 Application to Commingle

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1200
Denver, CO 80202
Attn: Mr. W. Chris Latimer

R 23 E

6

5

T
9
S

CWU 662-6

ECW 2-5

ECW 43-5

ECW 54-5

CWU 680-6

U-01304

U-01304

CHAPITA WELLS UNIT

○ EAST CHAPITA 43-5

Scale: 1"=1000'

0 1/4 1/2 Mile



Denver Division

EXHIBIT "A"

EAST CHAPITA 43-5

Commingling Application

Uintah County, Utah

Scale: 1"=1000'

D:\utah\Commingled\
page_EC43-5_commingled.dwg
WELL

Author

TLM

Apr 10, 2008 -
9:01am

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.
UTU01304

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
EAST CHAPITA 43-05

9. API Well No.
43-047-38144

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
EOG RESOURCES, INC
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

3a. Address
600 17TH STREET SUITE 1000 N.
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES/WASATCH/MV

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 5 T9S R23E NWSW 2002FSL 649FWL
40.06324 N Lat, 109.35799 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Production Start-up |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was turned to condensate sales on 5/20/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #60504 verified by the BLM Well Information System
For EOG RESOURCES, INC, sent to the Vernal**

Name (Printed/Typed) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature

Mary A. Maestas

Date 05/29/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED RECEIVED**

JUN 02 2008

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 05-29-2008

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|------------|
| Well Name | ECW 043-05 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA DEEP | API # | 43-047-38144 | Well Class | ISA |
| County, State | UINTAH, UT | Spud Date | 04-18-2008 | Class Date | 05-20-2008 |
| Tax Credit | N | TVD / MD | 9,550/ 9,550 | Property # | 059255 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 4,898/ 4,879 | | | | |
| Location | Section 5, T9S, R23E, NWSW, 2002 FSL & 649 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|-------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 100.0 | NRI % | 84.75 |

| | | | | | |
|------------------------------|--------------------|-------------------|---------------|------------------------|--------------------|
| AFE No | 304099 | AFE Total | 2,058,500 | DHC / CWC | 912,100/ 1,146,400 |
| Rig Contr | TRUE | Rig Name | TRUE #34 | Start Date | 06-02-2006 |
| 06-02-2006 | Reported By | SHARON WHITLOCK | | | |
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$0 | Completion | \$0 | Well Total | \$0 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: LOCATION DATA

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|---------------|
| 06:00 | 06:00 | 24.0 | LOCATION DATA |
|-------|-------|------|---------------|

2002' FSL & 649' FWL (NW/SW)
SECTION 5, T9S, R23E
UINTAH COUNTY, UTAH

LAT 40.063272, LONG 109.357308 (NAD 27)
LAT 40.063236, LONG 109.357989 (NAD 83)

TRUE #34
OBJECTIVE: 9550' TD, MESAVERDE
DW/GAS
EAST CHAPITA PROSPECT
DD&A: CHAPITA DEEP
NATURAL BUTTES FIELD

LEASE: U-01304
ELEVATION: 4882.9' NAT GL, 4879.4' PREP GL (DUE TO ROUNDING THE PREP GL IS 4879'), 4898' KB (19')

EOG WI 100%, NRI 84.75%

11-30-2007 Reported By BYRON TOLMAN

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$38,000 | Completion | \$0 | Daily Total | \$38,000 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | STARTING LOCATION. |

12-03-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 10% COMPLETE. |

12-04-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION 30% COMPLETE. |

12-05-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------|
| 06:00 | 06:00 | 24.0 | LOCATION IS 50% COMPLETE. |

12-06-2007 Reported By BYRON TOLMAN

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | ROCKED OUT & DRILLING ROCK. SHOT TODAY. |

12-07-2007 Reported By BYRON TOLMAN

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|------------------------------------|
| 06:00 | 06:00 | 24.0 | PIT SHOT YESTERDAY. PUSHING TODAY. |

12-10-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | PUSHING. |

12-11-2007 Reported By NATALIE BRAYTON

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | PUSHING ON PIT. |

12-12-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LINE THURSDAY. |

12-13-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LINE TODAY. |

12-14-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Formation : | | PBTD : | 0.0 | Perf : | |
| | | | | PKR Depth : | 0.0 |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LINE TODAY. |

12-17-2007 Reported By TERRY CSERE

| | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 0 | TVD | 0 | Progress | 0 |
| Formation : | | PBTD : | 0.0 | Perf : | |
| | | | | PKR Depth : | 0.0 |

Activity at Report Time: BUILD LOCATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LOCATION COMPLETE. |

01-10-2008 Reported By JERRY BARNES

| | | | | | |
|------------------------------|----------|-------------------|-----|--------------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$38,000 | Completion | \$0 | Well Total | \$38,000 |
| MD | 60 | TVD | 60 | Progress | 0 |
| Formation : | | PBTD : | 0.0 | Perf : | |
| | | | | PKR Depth : | 0.0 |

Activity at Report Time: SPUD NOTIFICATION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | CRAIG'S ROUSTABOUT SERVICE SPUD A 20" HOLE ON 1/9/08 @ 5:00 PM. SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM & MICHAEL LEE W/BLM OF THE SPUD 01/09/08 @ 4:00 PM. |

02-06-2008 Reported By JERRY BARNES

| | | | | | |
|------------------------------|-----------|-------------------|-------|--------------------|-----------|
| Daily Costs: Drilling | \$248,152 | Completion | \$0 | Daily Total | \$248,152 |
| Cum Costs: Drilling | \$286,152 | Completion | \$0 | Well Total | \$286,152 |
| MD | 2,500 | TVD | 2,500 | Progress | 0 |
| Formation : | | PBTD : | 0.0 | Perf : | |
| | | | | PKR Depth : | 0.0 |

Activity at Report Time: WORT

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | MIRU CRAIG'S AIR RIG #2 ON 1/22/2008. DRILLED 12-1/4" HOLE TO 2530' GL. ENCOUNTERED WATER @ 2020'. RAN 58 JTS (2481.00') OF 9-5/8", 36.0#, J-55, ST&C CASING WITH DAVIS/LYNCH GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2500' KB. RDMO AIR RIG. |

MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 180 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (82 BBLs) OF PREMIUM CEMENT W/2% CACL2 & 1/4 #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX.

DISPLACED CEMENT W/186 BBLs FRESH WATER. BUMPED PLUG W/810# @ 9:08 AM, 1/26/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB # 1: MIXED & PUMPED 50 SX (10.2 BBLs) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS.

TOP JOB # 2: MIXED & PUMPED 200 SX (40.9 BBLs) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS.

NOTE: ANNULUS VOLUME PLUS SHOE JOINT VOLUME EQUALS 687 SX CEMENT. HOLE FILLED W/650 SX CEMENT.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

NO SURVEY @ THIS TIME.

LESTER FARNSWORTH NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 1/24/2008 @ 6:30 AM.

| | | | | | | | | | | | |
|------------------------------|-------|--------------------|-------------------|---------------------|-----|--------------------|---|-----------|------------------------|-------------|-----|
| 04-18-2008 | | Reported By | | BRIAN DUTTON | | | | | | | |
| Daily Costs: Drilling | | \$29,789 | Completion | | \$0 | Daily Total | | \$29,789 | | | |
| Cum Costs: Drilling | | \$315,941 | Completion | | \$0 | Well Total | | \$315,941 | | | |
| MD | 2,500 | TVD | 2,500 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: RURT & PREPARE TO TEST BOP

| Start | End | Hrs | Activity Description |
|--------------|------------|------------|--|
| 06:00 | 11:30 | 5.5 | HELD SAFETY MEETING W/RIG CREWS & RIG MOVERS. RDRT AND MOVE FROM EC 4-5 TO EC 43-05. |
| 11:30 | 18:00 | 6.5 | RURT ON THE EC 43-05. RAISE DERRICK @ 18:00 HOURS, TRUCKS RELEASED @ 17:00 HRS. MOVE WAS APPROXIMATELY 1.0 MILES. OLD LOCATION EC 44-05 CLEARED AND CLEANED OFF. |
| 18:00 | 06:00 | 12.0 | RURT AND PREPARE TO TEST B.O.P. NO ACCIDENTS. FUEL ON HAND 1700, USED 124 GALS. 14 MEN. 166.5 MAN-HOURS. UNMANNED LOGGING UNIT 0 DAYS ON LOCATION. OLD LOCATION CLEANED AND CLEARED OFF. TRANSFERRED 8 JTS(330.65) 4.5" 11.6# N80 LTC CASING FROM EC 4-5 TO EC 43-05. TRANSFERRED 1 MARKER JTS(22.21') 4.5" 11.6# HCP-110 CASING FROM EC 4-5 TO EC 43-05. TRANSFERRED 1824 GALS DIESEL FROM EC 4-5 TO EC 43-05. NOTIFIED JAMIE SPARGER/BLM/VERNAL @ 1730 HRS 4/16/08 OF BOP TEST 4/18/08 0600 HRS LEFT MESSAGE. |

| | | | | | | | | | | | |
|------------------------------|-------|--------------------|-------------------|---------------------|-------|--------------------|---|-----------|------------------------|-------------|-----|
| 04-19-2008 | | Reported By | | BRIAN DUTTON | | | | | | | |
| Daily Costs: Drilling | | \$83,282 | Completion | | \$0 | Daily Total | | \$83,282 | | | |
| Cum Costs: Drilling | | \$399,223 | Completion | | \$0 | Well Total | | \$399,223 | | | |
| MD | 3,788 | TVD | 3,788 | Progress | 1,288 | Days | 1 | MW | 0.0 | Visc | 0.0 |
| Formation : | | | PBTD : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: DRILLING @ 3788'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 12:00 | 6.0 | RIG ON DAYWORK @ 06:00, 4/18/08. TESTED BOPE(ALL RAMS, VALVES & MANIFOLD 250/5000 PSI, ANNULAR 250/2500 PSI, CASING 1500 PSI). CHANGED PIPE RAM RUBBERS. NO BLM WITNESS. |
| 12:00 | 12:30 | 0.5 | INSTALL WEAR BUSHING. |
| 12:30 | 13:00 | 0.5 | RIG UP WEATHERFORD LAY DOWN MACHINE. HELD SAFETY MEETING. |
| 13:00 | 16:00 | 3.0 | PU BHA & DP. TAGGED @ 2,392'. |
| 16:00 | 16:30 | 0.5 | RD LD MACHINE. |
| 16:30 | 17:30 | 1.0 | TORGUED KELLY. INSTALLED ROTATING HEAD RUBBER & DRIVE BUSHING. |
| 17:30 | 20:30 | 3.0 | SET & FUNCTION COM. DRILLED CEMENT & FLOAT EQUIP TO 2,536'. |
| 20:30 | 21:00 | 0.5 | PERFORMED F.I.T. @ 2536 TO 11.5 PPG EMW(400 PSI). |
| 21:00 | 22:30 | 1.5 | DRILLED 2,536 TO 2,726' (190' @ 126.6 FPH), WOB 5-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1510, MUD WT. 8.5, VIS 28, NO FLARE. |
| 22:30 | 23:00 | 0.5 | SURVEY DEPTH @ 2,646' 1.5 DEGREES. |
| 23:00 | 06:00 | 7.0 | DRILLED 2,726' TO 3,788' (1062' @ 151.7 FPH), WOB 5-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1620, MUD WT. 9.1, VIS 28, NO FLARE. |

NO ACCIDENTS. FULL CREWS.

SAFETY MEETING TOPIC: PINCH POINT WHILE PICKING UP B.H.A.

FUEL ON HAND 9150, USED 550 GALS.

UNMANNED LOGGING UNIT 1 DAYS ON LOCATION.

MORNING TOUR HELD B.O.P. DRILL WELL SECURE IN 80 SECONDS.

06:00 06:00 24.0 SPUDDED 7 7/8" HOLE @ 2100 HRS 4/18/08.

04-20-2008 Reported By BRIAN DUTTON

| | | | | | |
|----------------------|-----------|------------|-------|-------------|-----------|
| DailyCosts: Drilling | \$35,895 | Completion | \$0 | Daily Total | \$35,895 |
| Cum Costs: Drilling | \$435,119 | Completion | \$0 | Well Total | \$435,119 |
| MD | 6,385 | TVD | 6,385 | Progress | 2,597 |
| Days | 2 | MW | 9.3 | Visc | 30.0 |

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING @ 6385'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 08:30 | 2.5 | DRILLED 3,788' TO 4,238' (450' @ 180.0 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1578, MUD WT. 9.3, VIS 30, NO FLARE. |
| 08:30 | 09:00 | 0.5 | SERVICE RIG, COMP. DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. |
| 09:00 | 06:00 | 21.0 | DRILLED 4,238' TO 6,385' (2147' @ 102.2 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1578, MUD WT. 9.3, VIS 30, NO FLARE. |
| | | | DIESEL 8100 GALS(USED 1050). |
| | | | NO ACCIDENTS. FULL CREWS. SAFETY MEETING TOPIC-CHANGING SLIP DIES AND TONG DIES. |
| | | | FUNCTION COM FIRST CONN ON TOUR, ALL CREWS. |
| | | | UNMANNED LOGGING UNIT 2 DAYS ON LOCATION. |

04-21-2008 Reported By BRIAN DUTTON

| | | | | | |
|----------------------|------------|------------|-----------------|-------------|-----------|
| DailyCosts: Drilling | \$34,568 | Completion | \$0 | Daily Total | \$34,568 |
| Cum Costs: Drilling | \$469,687 | Completion | \$0 | Well Total | \$469,687 |
| MD | 7,625 | TVD | 7,625 | Progress | 1,240 |
| Days | 3 | MW | 9.6 | Visc | 35.0 |
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 | | |

Activity at Report Time: DRILLING @ 7625'

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 11:00 | 5.0 | DRILLED 6,385' TO 6,663' (287' @ 55.6 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1578, MUD WT. 9.6, VIS 35, NO FLARE. |
| 11:00 | 11:30 | 0.5 | SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. |
| 11:30 | 12:00 | 0.5 | WELD ON MUD LINE WAS LEAKING IN PUMP SHED. |
| 12:00 | 06:00 | 18.0 | DRILLED 6,663' TO 7,625' (962' @ 53.4 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1800, MUD WT. 10.2, VIS 32, NO FLARE. DIESEL 6440 GALS(USED 1660). NO ACCIDENTS. FULL CREWS. SAFETY MEETING TOPIC-WORKING AROUND ROTARY BUSHING. FUNCTION COM FIRST CONN ON TOUR, ALL CREWS. UNMANNED LOGGING UNIT 2 DAYS ON LOCATION. |

04-22-2008 Reported By BRIAN DUTTON

| | | | | | | | | | | | |
|-----------------------|-------|------------|-------|------------|-----|--------|---|-----------------|------|-----------|------|
| Daily Costs: Drilling | | \$52,770 | | Completion | | \$0 | | Daily Total | | \$52,770 | |
| Cum Costs: Drilling | | \$522,458 | | Completion | | \$0 | | Well Total | | \$522,458 | |
| MD | 8,320 | TVD | 8,320 | Progress | 695 | Days | 4 | MW | 10.3 | Visc | 31.0 |
| Formation : | | PBSD : 0.0 | | | | Perf : | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING @ 8320'

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 10:00 | 4.0 | DRILLED 7,625' TO 7,852' (227' @ 56.7 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1800, MUD WT. 10.5, VIS 31, NO FLARE. |
| 10:00 | 10:30 | 0.5 | SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS. |
| 10:30 | 17:30 | 7.0 | DRILLED 7,852' TO 8,095' (243' @ 34.7 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP 1950, MUD WT. 10.7, VIS 33, NO FLARE. |
| 17:30 | 18:00 | 0.5 | DROP SURVEY DEPTH 8,015' 1.5 DEGREES. |
| 18:00 | 21:00 | 3.0 | TRIP OUT OF HOLE WITH BIT #1 @ 8095'. |
| 21:00 | 21:30 | 0.5 | L/D ROLLER REAMERS, CHANGE MUD MOTOR AND BIT. |
| 21:30 | 01:00 | 3.5 | TRIP IN HOLE WITH BIT #2, FILL PIPE @ 2,447' & 5,352'. |
| 01:00 | 01:30 | 0.5 | WASH/REAM F/7,995' TO 8095'. |
| 01:30 | 06:00 | 4.5 | DRILLED 8,095' TO 8,320' (225' @ 50.0 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP, 2050 MUD WT. 10.7, VIS 34, NO FLARE. DIESEL 5150 GALS(USED 1290). NO ACCIDENTS. FULL CREWS. SAFETY MEETING TOPIC-PINCH POINTS WHILE TRIPPING. FUNCTION COM FIRST CONN ON TOUR AND FIRST STAND ON AND IN HOLE, ALL CREWS. UNMANNED LOGGING UNIT 4 DAYS ON LOCATION. |

04-23-2008 Reported By BRIAN DUTTON

| | | | | | | | | | | | |
|-----------------------|-------|------------|------------|----------|---------|-------------|---|-----------------|------|------|------|
| Daily Costs: Drilling | | \$82,731 | Completion | | \$8,110 | Daily Total | | \$90,841 | | | |
| Cum Costs: Drilling | | \$605,190 | Completion | | \$8,110 | Well Total | | \$613,300 | | | |
| MD | 8,840 | TVD | 8,840 | Progress | 520 | Days | 5 | MW | 10.7 | Visc | 36.0 |
| Formation : | | PBTD : 0.0 | | | | Perf : | | PKR Depth : 0.0 | | | |

Activity at Report Time: DRILLING @ 8840'

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

06:00 11:00 5.0 DRILLED 8,320' TO 8,620' (300' @ 60.0 FPH), WOB 10-20K, GPM 432, RPM 30-50/MOTOR 69, SPP, 2050 MUD WT. 10.7, VIS 36, NO FLARE.

11:00 11:30 0.5 SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS

11:30 17:30 6.0 DRILLED 8,620' TO 8,703' (83' @ 13.8 FPH), WOB 15-25K, GPM 432, RPM 30-50/MOTOR 69, SPP, 2050 MUD WT. 10.9, VIS 36, NO FLARE.

17:30 18:00 0.5 MIX AND PUMP PILL.

18:00 20:30 2.5 TRIP OUT OF HOLE WITH BIT #2 @ 8,703'.

20:30 22:00 1.5 CHANGE BITS. TRIP IN HOLE WITH BIT #3 FILL PIPE @ 2,520'..

22:00 23:00 1.0 SLIP & CUT 95' DRILL LINE.

23:00 01:00 2.0 TRIP IN HOLE FILL @ 5,821'. (FUNCTION C.O.M.).

01:00 01:30 0.5 WASH/REAM F/8,627' TO 8,703'. 15' OF FILL.

01:30 06:00 4.5 DRILLED 8,703' TO 8,840' (137' @ 30.4 FPH), WOB 10-15K, GPM 432, RPM 30-40/MOTOR 69, SPP, 1950 MUD WT. 11.0, VIS 35, NO FLARE.

DIESEL 4140 GALS(USED 1010).

NO ACCIDENTS. FULL CREWS. SAFETY MEETING TOPIC-CUTTING DRILLING LINE.

FUNCTION COM FIRST CONN ON TOUR AND FIRST STAND ON AND IN HOLE, ALL CREWS.

UNMANNED LOGGING UNIT 5 DAYS ON LOCATION.

04-24-2008 Reported By BRIAN DUTTON

| | | | | | |
|------------------------------|-----------|-------------------|---------|--------------------|-----------|
| Daily Costs: Drilling | \$45,695 | Completion | \$0 | Daily Total | \$45,695 |
| Cum Costs: Drilling | \$650,885 | Completion | \$8,110 | Well Total | \$658,995 |
| MD | 9,550 | TVD | 9,550 | Progress | 710 |
| | | | | Days | 6 |
| | | | | MW | 11.0 |
| | | | | Visc | 35.0 |

Formation : PBTD : 0.0 **Perf :** PKR Depth : 0.0

Activity at Report Time: LD DP

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 09:30 | 3.5 | DRILLED 8,840' TO 8,962' (122' @ 34.8 FPH), WOB 10-15K, GPM 432, RPM 30-40/MOTOR 69, SPP, 1950 MUD WT. 11.1, VIS 35, NO FLARE. |
| 09:30 | 10:00 | 0.5 | SERVICE RIG, COMP, DRAW TOOL, T.B.A., FUNCTION TEST CROWN -O- MATIC AND FUNCTION TEST PIPE RAMS |
| 10:00 | 01:30 | 15.5 | DRILLED 8,962' TO 9,550' TD (588' @ 37.9 FPH), WOB 15-20K, GPM 432, RPM 30-50/MOTOR 69, SPP, 2000 MUD WT. 11.3, VIS 34, NO FLARE. REACHED TD AT 01:30 HRS, 4/24/08. |
| 01:30 | 02:30 | 1.0 | CIRCULATED CLEAN HOLE. PUMP PILL. |
| 02:30 | 03:00 | 0.5 | SET & FUNCTION COM. SHORT TRIPPED 10 STDs TO 8,620', NO FILL. |
| 03:00 | 04:00 | 1.0 | CIRCULATED GAS OUT. RU WEATHERFORD LD MACHINE. HELD SAFETY MEETING. |
| 04:00 | 04:30 | 0.5 | DROP SURVEY (SURVEY DEPTH 9,470'). PUMP PILL. |
| 04:30 | 06:00 | 1.5 | SET & FUNCTION COM. LDDP. |
| | | | DIESEL 2850 GALS(USED 1290 GALS). |
| | | | NO ACCIDENTS. FULL CREWS. SAFETY MEETING TOPIC - LDDP WITH LD MACHINE. |
| | | | FUNCTION COM FIRST CONN ON TOUR AND FIRST STAND ON AND IN HOLE, ALL CREWS. |
| | | | UNMANNED LOGGING UNIT 6 DAYS ON LOCATION. |
| | | | NOTIFIED JAMIE SPARGER/BLM/VERNAL 0500 HRS 4/24/08 OF CSG & CMT JOB LEFT MESSAGE. |

04-25-2008 Reported By BRIAN DUTTON

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| Daily Costs: Drilling | \$30,125 | Completion | \$168,022 | Daily Total | \$198,147 |
| Cum Costs: Drilling | \$681,010 | Completion | \$176,132 | Well Total | \$857,142 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| | | | | Days | 7 |
| | | | | MW | 11.3 |
| | | | | Visc | 35.0 |

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RDRT/NO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 09:00 | 3.0 | SET & FUNCTION COM. LDDP. |
| 09:00 | 09:30 | 0.5 | BROKE KELLY. REMOVED DRIVE BUSHING & ROTATING RUBBER. |
| 09:30 | 11:30 | 2.0 | LD B.H.A. |
| 11:30 | 12:00 | 0.5 | PULL WEAR BUSHING. |
| 12:00 | 13:00 | 1.0 | RU WEATHERFORD CSG CREW. HELD SAFETY MEETING. |
| 13:00 | 18:30 | 5.5 | HELD SAFETY MEETING. RAN 4.5" 11.6# N-80 LTC CSG (FS, 1 JT, FC, 234 JTS & 2 MARKERS) & TAG JT. RAN 35 CENTRALIZERS(MIDDLE OF SHOE JT, TOP OF #2, EVERY 2ND JT TO 6761). TAGGED @ 9550. LD TAG JT & PU LANDING JT W/FLUTED CSG HANGER. LANDED CSG @ 9532 (FC @ 9489, MARKERS @ 7246-68 & 4490-4511). |
| 18:30 | 19:30 | 1.0 | FILL PIPE AND BREAK CIRCULATION. RD WEATHERFORD CASING CREW. |
| 19:30 | 23:00 | 3.5 | SCHLUMBERGER LOAD MORE CEMENT. WAIT ON SCHLUMBERGER. |
| 23:00 | 23:30 | 0.5 | RU SCHLUMBERGER AND HELD SAFETY MEETING. |
| 23:30 | 02:00 | 2.5 | CEMENTED CSG AS FOLLOWS: PUMPED 20 BBLS CHEM WASH, 20 BBLS FW SPACER, 750 SX 35/65 POZ G (301.8 BBLS @ 12.0 PPG, 2.26 CFS) & 1520 SX 50/50 POZ G(349.2 BBLS @ 14.1 PPG, 1.29 CFS). DROPPED PLUG. DISP W/147.0 BTW(NO RETURNS UNTIL 224 BBLS INTO TAIL THEN HAD FULL RETURNS THROUGH OUT ENTIRE JOB). FINAL LIFT PRESSURE 2500 PSI, BUMPED PLUG TO 3500 PSI. BLEED OFF, FLOATS HELD. |
| 02:00 | 03:00 | 1.0 | FLB CEMENTER. WOC. TRANSFERRED MUD/CLEAN TANKS. |
| 03:00 | 04:00 | 1.0 | REMOVED LANDING JT. RAN CSG HANGER PACKOFF ON LANDING JT AND LOCKED IN POSITION. TESTED HANGER TO 5000 PSI. |
| | | | BLEED 600 BBLS MUD TO STORAGE. |
| | | | NO ACCIDENTS. FULL CREWS. |
| | | | UNMANNED MUD LOGGING UNIT 7 DAYS ON LOCATION.. |
| | | | TRANSFERRED 5 JTS(201.76) 4.5" 11.6# N80 LTC CASING TO ECW 55-5. |
| | | | TRANSFERRED 2 MARKER JTS(43.96') 4.5" 11.6# HCP-110 CASING TO ECW 55-5. |
| | | | TRANSFERRED 2370 GALS DIESEL TO ECW 55-5. |
| | | | TRUCKS SCHEDULED FOR 0700 HRS 4/25/08. MOVE TO ECW 55-5 IS APPROXIMATELY 1.5 MILE. |
| 04:00 | 06:00 | 2.0 | RDRT AND PREPARE FOR TRUCKS @ 0700 HRS. |
| 06:00 | 06:00 | 24.0 | RIG RELEASED @ 04:00 HRS, 4/25/08. |
| | | | CASING POINT COST \$681,010 |

04-30-2008 Reported By SEARLE

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$44,159 | Daily Total | \$44,159 |
| Cum Costs: Drilling | \$681,010 | Completion | \$220,291 | Well Total | \$901,301 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| Days | 8 | MW | 0.0 | Visc | 0.0 |

Formation : PBTD : 9489.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP FOR FRACS

Start End Hrs Activity Description

06:00 06:00 24.0 MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 240'. EST CEMENT TOP @ 460'. RD SCHLUMBERGER.

05-03-2008 Reported By MCCURDY

| | | | | | |
|------------------------------|----------------------|-------------------|---------------|------------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$1,653 | Daily Total | \$1,653 |
| Cum Costs: Drilling | \$681,010 | Completion | \$221,944 | Well Total | \$902,954 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| Days | 9 | MW | 0.0 | Visc | 0.0 |
| Formation : | PBTD : 9489.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: WO COMPLETION

Start End Hrs Activity Description

06:00 06:00 24.0 NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

05-13-2008 Reported By KERN

| | | | | | |
|------------------------------|----------------------|-------------------|---------------------------|------------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$12,193 | Daily Total | \$12,193 |
| Cum Costs: Drilling | \$681,010 | Completion | \$234,137 | Well Total | \$915,147 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| Days | 10 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 9489.0 | | Perf : 7964'-9371' | PKR Depth : 0.0 | |

Activity at Report Time: FRAC UPR AND WASATCH

Start End Hrs Activity Description

06:00 06:00 24.0 RU CUTTERS WIRELINE. PERFORATE LPR FROM 9050'-51', 9058'-59', 9066'-67', 9102'-03', 9115'-16', 9186'-87', 9192'-93', 9197'-98', 9265'-66', 9285'-86', 9361'-62', 9370'-71' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 5221 GAL YF116 PAD, 35360 GAL YF116ST+ W/98300# 20/40 SAND @ 1-4 PPG. MTP 6264 PSIG. MTR 50.9 BPM. ATP 5132 PSIG. ATR 47 BPM. ISIP 3000 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9020'. PERFORATE MPR/LPR FROM 8780'-81', 8792'-93', 8799'-8800', 8813'-14', 8828'-29', 8838'-40', 8857'-58', 8917'-18', 8933'-34', 8976'-77', 8995'-96' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 4575 GAL YF116 PAD, 41302 GAL YF116ST+ W/115800# 20/40 SAND @ 1-4 PPG. MTP 6329 PSIG. MTR 50.9 BPM. ATP 5182 PSIG. ATR 48.2 BPM. ISIP 3800 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8745'. PERFORATE MPR FROM 8477'-78', 8490'-91', 8516'-17', 8529'-30', 8540'-41', 8558'-59', 8574'-75', 8584'-85', 8596'-97', 8626'-27', 8664'-65', 8728'-29' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 4559 GAL YF116 PAD, 40349 GAL YF116ST+ W/98100# 20/40 SAND @ 1-4 PPG. MTP 6261 PSIG. MTR 50.8 BPM. ATP 5421 PSIG. ATR 47.5 BPM. ISIP 3020 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8450'. PERFORATE MPR FROM 8234'-35', 8247'-48', 8255'-56', 8284'-85', 8293'-94', 8314'-15', 8328'-29', 8357'-58', 8373'-74', 8398'-99', 8420'-21', 8432'-33' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 4546 GAL YF116 PAD, 78713 GAL YF116ST+ W/235300# 20/40 SAND @ 1-5 PPG. MTP 6135 PSIG. MTR 50.8 BPM. ATP 4881 PSIG. ATR 49.2 BPM. ISIP 3094 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8190'. PERFORATE UPR/MPR FROM 7964'-65', 7974'-75', 8015'-16', 8024'-25', 8053'-54', 8067'-68', 8100'-01', 8110'-11', 8122'-23', 8131'-32', 8165'-66', 8172'-73' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 4137 GAL YF116 PAD, 54049 GAL YF116ST+ W/157400# 20/40 SAND @ 1-5 PPG. MTP 6052 PSIG. MTR 50.9 BPM. ATP 4655 PSIG. ATR 48.9 BPM. ISIP 2850 PSIG. RD SCHLUMBERGER. SDFN.

05-14-2008 Reported By KERN

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$21,480 | Daily Total | \$21,480 |
| Cum Costs: Drilling | \$681,010 | Completion | \$255,617 | Well Total | \$936,627 |

MD 9,550 TVD 9,550 Progress 0 Days 11 MW 0.0 Visc 0.0

Formation : PBTD : 9489.0 Perf : 6016'-9371' PKR Depth : 0.0
MESAVERDE/WASATCH

Activity at Report Time: FRAC REMAINING WASATCH AND MIRU SERVICE RIG TO DRILL OUT PLUGS

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | RUWL SET 10K CFP AT 7940'. PERFORATE UPR FROM 7724'-25', 7733'-34', 7740'-41', 7750'-51', 7779'-81', 7815'-16', 7824'-26', 7833'-34', 7866'-67', 7922'-23' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 3105 GAL YF116 PAD, 41487 GAL YF116ST+ W/ 122200 # 20/40 SAND @ 1-5 PPG. MTP 6116 PSIG. MTR 50.8 BPM. ATP 4516 PSIG. ATR 48.5 BPM. ISIP 2780 PSIG. RD SCHLUMBERGER. |
| | | | RUWL SET 10K CFP AT 7700'. PERFORATE UPR FROM 7522'-24', 7563'-64', 7579'-80', 7584'-85', 7597'-98', 7603'-04', 7627'-28', 7649'-51', 7684'-86' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 3089 GAL YF116 PAD, 38250 GAL YF116ST+ W/ 109100 # 20/40 SAND @ 1-5 PPG. MTP 5576 PSIG. MTR 50.8 BPM. ATP 4567 PSIG. ATR 48.2 BPM. ISIP 2930 PSIG. RD SCHLUMBERGER. |
| | | | RUWL SET 10K CFP AT 7460'. PERFORATE UPR FROM 7266'-67', 7277'-78', 7282'-83', 7302'-03', 7309'-10', 7329'-30', 7385'-86', 7398'-99', 7408'-09', 7427'-28', 7433'-34', 7441'-42' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 3095 GAL YF116 PAD, 49063 GAL YF116ST+ W/ 139100 # 20/40 SAND @ 1-5 PPG. MTP 5379 PSIG. MTR 50.9 BPM. ATP 4008 PSIG. ATR 48.8 BPM. ISIP 2490 PSIG. RD SCHLUMBERGER. |
| | | | RUWL SET 10K CFP AT 7224'. PERFORATE NORTH HORN FROM 7049'-50', 7081'-82', 7097'-98', 7109'-10', 7116'-17', 7124'-25', 7132'-33', 7139'-40', 7195'-96', 7201'-02', 7208'-09', 7216'-17' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 3092 GAL YF116 PAD, 41012 GAL YF116ST+ W/ 121200 # 20/40 SAND @ 1-5 PPG. MTP 5216 PSIG. MTR 50.8 BPM. ATP 3882 PSIG. ATR 48.1 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER. |
| | | | RUWL SET 6K CFP AT 6950'. PERFORATE NORTH HORN FROM 6775'-77', 6820'-21', 6829'-30', 6837'-38', 6851'-52', 6871'-72', 6887'-88', 6899'-6900', 6918'-19', 6928'-29' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 165 GAL GYPTRON T-106, 3100 GAL YF116 PAD, 38966 GAL YF116ST+ W/ 101000 # 20/40 SAND @ 1-4 PPG. MTP 6186 PSIG. MTR 50.8 BPM. ATP 3991 PSIG. ATR 48.1 BPM. ISIP 2400 PSIG. RD SCHLUMBERGER. |
| | | | RUWL SET 6K CFP AT 6740'. PERFORATE Ba FROM 6485'-86', 6513'-14', 6523'-24', 6528'-29', 6543'-44', 6562'-63', 6580'-81', 6623'-24', 6636'-37', 6673'-74', 6687'-88', 6718'-19' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 3103 GAL YF116 PAD, 38591 GAL YF116ST+ W/ 99600 # 20/40 SAND @ 1-4 PPG. MTP 5562 PSIG. MTR 50.8 BPM. ATP 3721 PSIG. ATR 48 BPM. ISIP 1978 PSIG. RD SCHLUMBERGER. |
| | | | RUWL SET 6K CFP AT 6310'. PERFORATE Ba/Ca FROM 6016'-17', 6103'-04', 6119'-20', 6133'-34', 6146'-47', 6161'-62', 6176'-78', 6200'-01', 6216'-17', 6281'-82', 6292'-93' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 3106 GAL YF116 PAD, 39481 GAL YF116ST+ W/ 103700 # 20/40 SAND @ 1-4 PPG. MTP 5158 PSIG. MTR 50.9 BPM. ATP 3283 PSIG. ATR 48.3 BPM. ISIP 1970 PSIG. RD SCHLUMBERGER. SDFN. |

05-15-2008 Reported By KERN / BAUSCH

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$497,865 | Daily Total | \$497,865 |
| Cum Costs: Drilling | \$681,010 | Completion | \$753,483 | Well Total | \$1,434,493 |

MD 9,550 TVD 9,550 Progress 0 Days 12 MW 0.0 Visc 0.0

Formation : PBTD : 9489.0 Perf : 5515'-9371' PKR Depth : 0.0
MESAVERDE/WASATCH

Activity at Report Time: CLEAN OUT AFTER FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 17:00 | 11.0 | RUWL SET 6K CFP AT 5842'. PERFORATE Ca FROM 5626'-28', 5639'-41', 5645'-47', 5695'-96', 5722'-23', 5762'-63', 5777'-79', 5813'-14' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 3102 GAL YF116 PAD, 35638 GAL YF116ST+ W/ 99400 # 20/40 SAND @ 1-4 PPG. MTP 5384 PSIG. MTR 50.9 BPM. ATP 4158 PSIG. ATR 49.2 BPM. ISIP 2464 PSIG. RD SCHLUMBERGER. |

RUWL SET 6K CFP AT 5600'. PERFORATE Ca FROM 5515'-17', 5525'-27', 5537'-39', 5552'-54', 5561'-63', 5582'-84' @ 3 SPF @ 120? PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING W/ 3101 GAL YF116 PAD, 38375 GAL YF116ST+ W/ 95400 # 20/40 SAND @ 1-4 PPG. MTP 4940 PSIG. MTR 50.8 BPM. ATP 3824 PSIG. ATR 48 BPM. ISIP 2600 PSIG. RDMO SCHLUMBERGER.

RUWL. SET 6K CBP AT 5403'. RDMO WIRELINE. MIRUSU. ND FRAC VALVES. NU BOPE. UNLOAD TBG. SIFN.

| 05-16-2008 | | Reported By | BAUSCH | |
|-----------------------|---------------|-------------|--------------------|------------------------------------|
| Daily Costs: Drilling | \$0 | Completion | \$5,305 | Daily Total \$5,305 |
| Cum Costs: Drilling | \$681,010 | Completion | \$758,788 | Well Total \$1,439,798 |
| MD | 9.550 | TVD | 9.550 | Progress 0 Days 13 MW 0.0 Visc 0.0 |
| Formation : | PBTD : 9489.0 | | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | | |

Activity at Report Time: CLEAN OUT AFTER FRAC

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 07:00 | 15:00 | 8.0 | RIH W/MILL & PUMP OFF BIT SUB TO CBP @ 5403'. RU TO DRILL OUT PLUGS. SDFN. |

| 05-17-2008 | | Reported By | BAUSCH | |
|-----------------------|---------------|-------------|--------------------|------------------------------------|
| Daily Costs: Drilling | \$0 | Completion | \$12,471 | Daily Total \$12,471 |
| Cum Costs: Drilling | \$681,010 | Completion | \$771,259 | Well Total \$1,452,269 |
| MD | 9.550 | TVD | 9.550 | Progress 0 Days 14 MW 0.0 Visc 0.0 |
| Formation : | PBTD : 9460.0 | | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 07:00 | 06:00 | 23.0 | CLEANED OUT & DRILLED OUT PLUGS @ 5403', 5600', 5842', 6310', 6740', 6950', 7224', 7460', 7700', 7940', 8190', 8450', 8745' & 9020'. RIH. CLEANED OUT TO PBTD @ 9460'. LANDED TBG AT 7939' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU. |

FLOWED 12 HRS. 16/64" CHOKE. FTP 1300 PSIG. CP 1400 PSIG. 55 BFPH. RECOVERED 549 BLW. 16933 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'
 1 JT 2-3/8" 4.7# N-80 TBG 32.52'
 XN NIPPLE 1.30'
 242 JTS 2-3/8" 4.7# N-80 TBG 7884.21'
 N-80 NIPPLE & COUPLING 0.60'
 BELOW KB 19.00'
 LANDED @ 7938.63' KB

| 05-18-2008 | | Reported By | BAUSCH | |
|-----------------------|-----|-------------|---------|---------------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,725 | Daily Total \$4,725 |

| | | | | | |
|----------------------------|-----------|-------------------|-----------|-------------------|-------------|
| Cum Costs: Drilling | \$681,010 | Completion | \$775,984 | Well Total | \$1,456,994 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| | | Days | 15 | MW | 0.0 |
| | | Visc | | | 0.0 |

| | | | |
|--------------------|----------------------|---------------------------|------------------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | |

Activity at Report Time: FLOW TEST.

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64 CHOKE. FTP- 1300 PSIG, CP- 1425 PSIG. 46 BFPH. RECOVERED 1125 BBLS, 15808 BLWTR. |

05-19-2008 Reported By BAUSCH

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|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,725 | Daily Total | \$4,725 |
| Cum Costs: Drilling | \$681,010 | Completion | \$780,709 | Well Total | \$1,461,719 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| | | Days | 16 | MW | 0.0 |
| | | Visc | | | 0.0 |

| | | | |
|--------------------|----------------------|---------------------------|------------------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 16/64" CHOKE. FTP 1250 PSIG, CP- 1350 PSIG. 38 BFPH. RECOVERED 920 BBLS, 14888 BLWTR. |

05-20-2008 Reported By BAUSCH

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,725 | Daily Total | \$4,725 |
| Cum Costs: Drilling | \$681,010 | Completion | \$785,434 | Well Total | \$1,466,444 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| | | Days | 17 | MW | 0.0 |
| | | Visc | | | 0.0 |

| | | | |
|--------------------|----------------------|---------------------------|------------------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FTP 950 PSIG. CP 1250 PSIG. 73 BFPH. RECOVERED 1752 BLW. 13136 BLWTR. |

05-21-2008 Reported By BAUSCH

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$8,769 | Daily Total | \$8,769 |
| Cum Costs: Drilling | \$681,010 | Completion | \$794,203 | Well Total | \$1,475,213 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| | | Days | 18 | MW | 0.0 |
| | | Visc | | | 0.0 |

| | | | |
|--------------------|----------------------|---------------------------|------------------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FTP 950 PSIG. CP 1500 PSIG. 51 BFPH. RECOVERED 1229 BLW. 11907 BLWTR. |

05-22-2008 Reported By BAUSCH

| | | | | | |
|------------------------------|-----------|-------------------|-----------|--------------------|-------------|
| Daily Costs: Drilling | \$0 | Completion | \$4,725 | Daily Total | \$4,725 |
| Cum Costs: Drilling | \$681,010 | Completion | \$798,928 | Well Total | \$1,479,938 |
| MD | 9,550 | TVD | 9,550 | Progress | 0 |
| | | Days | 19 | MW | 0.0 |
| | | Visc | | | 0.0 |

| | | | |
|--------------------|----------------------|---------------------------|------------------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
| MESAVERDE/WASATCH | | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FTP 900 PSIG. CP 2000 PSIG. 43 BFPH. RECOVERED 1032 BLW. 10875 BLWTR. |

| 05-23-2008 | Reported By | BAUSCH |
|------------|-------------|--------|
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|-----------------------|-----|------------|----------|-------------|----------|
| Daily Costs: Drilling | \$0 | Completion | \$28,430 | Daily Total | \$28,430 |
|-----------------------|-----|------------|----------|-------------|----------|

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|---------------------|-----------|------------|-----------|------------|-------------|
| Cum Costs: Drilling | \$681,010 | Completion | \$827,358 | Well Total | \$1,508,368 |
|---------------------|-----------|------------|-----------|------------|-------------|

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|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 9,550 | TVD | 9,550 | Progress | 0 | Days | 20 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

| | | | |
|-------------|---------------|--------------------|-----------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
|-------------|---------------|--------------------|-----------------|

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64" CHOKE. FTP 875 PSIG. CP 1975 PSIG. 34 BFPH. RECOVERED 836 BLW. 10039 BLWTR. |

| 05-24-2008 | Reported By | BAUSCH |
|------------|-------------|--------|
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|-----------------------|-----|------------|---------|-------------|---------|
| Daily Costs: Drilling | \$0 | Completion | \$2,425 | Daily Total | \$2,425 |
|-----------------------|-----|------------|---------|-------------|---------|

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|---------------------|-----------|------------|-----------|------------|-------------|
| Cum Costs: Drilling | \$681,010 | Completion | \$829,783 | Well Total | \$1,510,793 |
|---------------------|-----------|------------|-----------|------------|-------------|

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 9,550 | TVD | 9,550 | Progress | 0 | Days | 21 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

| | | | |
|-------------|---------------|--------------------|-----------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
|-------------|---------------|--------------------|-----------------|

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST.

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64 CHOKE. FTP- 850 PSIG, CP- 2000 PSIG. 28 BFPH. RECOVERED 667 BBLS, 9370 BLWTR. |

| 05-25-2008 | Reported By | BAUSCH |
|------------|-------------|--------|
|------------|-------------|--------|

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|-----------------------|-----|------------|---------|-------------|---------|
| Daily Costs: Drilling | \$0 | Completion | \$2,425 | Daily Total | \$2,425 |
|-----------------------|-----|------------|---------|-------------|---------|

| | | | | | |
|---------------------|-----------|------------|-----------|------------|-------------|
| Cum Costs: Drilling | \$681,010 | Completion | \$832,208 | Well Total | \$1,513,218 |
|---------------------|-----------|------------|-----------|------------|-------------|

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 9,550 | TVD | 9,550 | Progress | 0 | Days | 22 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

| | | | |
|-------------|---------------|--------------------|-----------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
|-------------|---------------|--------------------|-----------------|

MESAVERDE/WASATCH

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 24/64 CHOKE. FTP- 850 PSIG, CP- 1950 PSIG. 22 BFPH. RECOVERED 528 BBLS, 8845 BLWTR. SHUT WELL IN. WAIT ON FACILITIES. |

FINAL COMPLETION DATE: 05/24/08.

| 05-29-2008 | Reported By | BAUSCH |
|------------|-------------|--------|
|------------|-------------|--------|

| | | | | | |
|-----------------------|-----|------------|---------|-------------|---------|
| Daily Costs: Drilling | \$0 | Completion | \$2,425 | Daily Total | \$2,425 |
|-----------------------|-----|------------|---------|-------------|---------|

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|---------------------|-----------|------------|-----------|------------|-------------|
| Cum Costs: Drilling | \$681,010 | Completion | \$834,633 | Well Total | \$1,515,643 |
|---------------------|-----------|------------|-----------|------------|-------------|

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 9,550 | TVD | 9,550 | Progress | 0 | Days | 23 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

| | | | |
|-------------|---------------|--------------------|-----------------|
| Formation : | PBTD : 9460.0 | Perf : 5515'-9371' | PKR Depth : 0.0 |
|-------------|---------------|--------------------|-----------------|

MESAVERDE/WASATCH

Activity at Report Time: INITIAL PRODUCTION-FIRST CONDENSATE SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---------------------------------|
| 06:00 | 06:00 | 24.0 | FIRST CONDENSATE SALES 5/20/08. |

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|--|--|---|--|--|--|--|--|
| 1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Reserv. Other _____ | | | | | | 6. If Indian, Allottee or Tribe Name . 7. Unit or CA Agreement Name and No. | | | | | | | | | | | | | | | | | |
| 2. Name of Operator EOG RESOURCES, INC. Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com | | | | | | 8. Lease Name and Well No. EAST CHAPITA 43-05 | | | | | | | | | | | | | | | | | |
| 3. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202 | | | | | | 3a. Phone No. (include area code) Ph: 303-824-5526 | | | | | | 9. API Well No. 43-047-38144 | | | | | | | | | | | |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NWSW 2002FSL 649FWL 40.06324 N Lat, 109.35799 W Lon At top prod interval reported below NWSW 2002FSL 649FWL 40.06324 N Lat, 109.35799 W Lon At total depth NWSW 2002FSL 649FWL 40.06324 N Lat, 109.35799 W Lon | | | | | | | | | | | | 10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV | | | | | | | | | | | |
| | | | | | | | | | | | | 11. Sec., T., R., M., or Block and Survey or Area Sec 5 T9S R23E Mer SLB | | | | | | | | | | | |
| | | | | | | | | | | | | 12. County or Parish UINTAH | | | | | | 13. State UT | | | | | |
| 14. Date Spudded 01/09/2008 | | | | | | 15. Date T.D. Reached 04/24/2008 | | | | | | 16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 05/20/2008 | | | | | | 17. Elevations (DF, KB, RT, GL)* 4883 GL | | | | | |
| 18. Total Depth: MD TVD 9550 | | | | | | 19. Plug Back T.D.: MD TVD 9460 | | | | | | 20. Depth Bridge Plug Set: MD TVD | | | | | | | | | | | |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) RST/CBL/CCL/VDL/GR | | | | | | | | | | | | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) | | | | | | | | | | | |

23. Casing and Liner Record (Report all strings set in well)

[illegible]

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|-------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2.375 | 7939 | | | | | | | |



25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|----------------------|------|--------|---------------------|------|-----------|--------------|
| A) WASATCH/MESAVERDE | 5515 | 9371 | 9050 TO 9371 | | 3 | |
| B) | | | 8780 TO 8996 | | 3 | |
| C) | | | 8477 TO 8729 | | 3 | |
| D) | | | 8234 TO 8433 | | 3 | |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 9050 TO 9371 | 40,746 GALS GELLED WATER & 98,300# 20/40 SAND |
| 8780 TO 8996 | 46,042 GALS GELLED WATER & 115,800# 20/40 SAND |
| 8477 TO 8729 | 45,073 GALS GELLED WATER & 98,100# 20/40 SAND |
| 8234 TO 8433 | 83,424 GALS GELLED WATER & 235,300# 20/40 SAND |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production  | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|---------------------------|----------------|--|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size | Tbg. Press. FWg. SI | Csg. Press. | 24 Hr. Rate  | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |

28a. Production - Interval B

| | | | | | | | | | |
|---------------------|----------------------------|----------------|----------------------|---------|---------|-----------|--------------------------|------------------|-------------------------|
| Date First Produced | Test Date | Hours Tested | Test Production ▽ | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate ▽ | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status S | RECEIVED JUN 20 1988 |

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #60964 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

DEMISSION #00004 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

~~RECEIVED~~

~~JUN 20 2008~~

28b. Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| | | | → | | | | | | |

28c. Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| | | | → | | | | | | |

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
UNKNOWN

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top Meas. Depth |
|-------------------|------|--------|------------------------------|--|--|
| WASATCH/MESAVERDE | 5515 | 9371 | | GREEN RIVER MAHOGANY UTELAND BUTTE WASATCH CHAPITA WELLS BUCK CANYON PRICE RIVER MIDDLE PRICE RIVER | 1977 2631 4774 4908 5507 6172 7312 8087 |

32. Additional remarks (include plugging procedure):

Please see the attached sheet for detailed perforation and additional formation marker information.

The initial production date is for condensate sales only. The facilities for gas production are not installed yet. As soon as gas production is turned on, production information will be provided.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

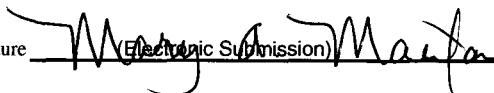
34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #60964 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal

Name (please print) MARY A. MAESTAS

Title REGULATORY ASSISTANT

Signature



(Electronic Submission)

Date 06/18/2008

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

East Chapita 43-05 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 7964-8173 | 3/spf |
| 7724-7923 | 3/spf |
| 7522-7686 | 3/spf |
| 7266-7442 | 3/spf |
| 7049-7217 | 3/spf |
| 6775-6929 | 3/spf |
| 6485-6719 | 3/spf |
| 6016-6293 | 3/spf |
| 5626-5814 | 3/spf |
| 5515-5584 | 3/spf |

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

| | |
|-----------|--|
| 7964-8173 | 58,351 GALS GELLED WATER & 157,400# 20/40 SAND |
| 7724-7923 | 44,757 GALS GELLED WATER & 122,200# 20/40 SAND |
| 7522-7686 | 41,504 GALS GELLED WATER & 109,100# 20/40 SAND |
| 7266-7442 | 52,323 GALS GELLED WATER & 139,100# 20/40 SAND |
| 7049-7217 | 44,269 GALS GELLED WATER & 121,200# 20/40 SAND |
| 6775-6929 | 42,231 GALS GELLED WATER & 101,000# 20/40 SAND |
| 6485-6719 | 41,694 GALS GELLED WATER & 99,600# 20/40 SAND |
| 6016-6293 | 42,587 GALS GELLED WATER & 103,700# 20/40 SAND |
| 5626-5814 | 38,740 GALS GELLED WATER & 99,400# 20/40 SAND |
| 5515-5584 | 41,476 GALS GELLED WATER & 95,400# 20/40 SAND |

Perforated the Lower Price River from 9050-51', 9058-59', 9066-67', 9102-03', 9115-16', 9186-87', 9192-93', 9197-98', 9265-66', 9285-86', 9361-62' & 9370-71' w/ 3 spf.

Perforated the Middle/Lower Price River from 8780-81', 8792-93', 8799-8800', 8813-14', 8828-29', 8838-40', 8857-58', 8917-18', 8933-34', 8976-77' & 8995-96' w/ 3 spf.

Perforated the Middle Price River from 8477-78', 8490-91', 8516-17', 8529-30', 8540-41', 8558-59', 8574-75', 8584-85', 8596-97', 8626-27', 8664-65' & 8728-29' w/ 3 spf.

Perforated the Middle Price River from 8234-35', 8247-48', 8255-56', 8284-85', 8293-94', 8314-15', 8328-29', 8357-58', 8373-74', 8398-99', 8420-21' & 8432-33' w/ 3 spf.

Perforated the Upper/Middle Price River from 7964-65', 7974-75', 8015-16', 8024-25', 8053-54', 8067-68', 8100-01', 8110-11', 8122-23', 8131-32', 8165-66' & 8172-73' w/ 3 spf.

Perforated the Upper Price River from 7724-25', 7733-34', 7740-41', 7750-51', 7779-81', 7815-16', 7824-26', 7833-34', 7866-67' & 7922-23' w/ 3 spf.

Perforated the Upper Price River from 7522-24', 7563-64', 7579-80', 7584-85', 7597-98', 7603-04', 7627-28', 7649-51' & 7684-86' w/ 3 spf.

Perforated the Upper Price River from 7266-67', 7277-78', 7282-83', 7302-03', 7309-10', 7329-30', 7385-86', 7398-99', 7408-09', 7427-28', 7433-34' & 7441-42' w/ 3 spf.

Perforated the North Horn from 7049-50', 7081-82', 7097-98', 7109-10', 7116-17', 7124-25', 7132-33', 7139-40', 7195-96', 7201-02', 7208-09' & 7216-17' w/ 3 spf.

Perforated the North Horn from 6775-77', 6820-21', 6829-30', 6837-38', 6851-52', 6871-72', 6887-88', 6899-6900', 6918-19' & 6928-29' w/ 3 spf.

Perforated the Ba from 6485-86', 6513-14', 6523-24', 6528-29', 6543-44', 6562-63', 6580-81', 6623-24', 6636-37', 6673-74', 6687-88' & 6718-19' w/ 3 spf.

Perforated the Ba/Ca from 6016-17', 6103-04', 6119-20', 6133-34', 6146-47', 6161-62', 6176-78', 6200-01', 6216-17', 6281-82' & 6292-93' w/ 3 spf.

Perforated the Ca from 5626-28', 5639-41', 5645-47', 5695-96', 5722-23', 5762-63', 5777-79' & 5813-14' w/ 3 spf.

Perforated the Ca from 5515-17', 5525-27', 5537-39', 5552-54', 5561-63' & 5582-84' w/ 3 spf.

32. FORMATION (LOG) MARKERS

| | |
|-------------------|------|
| Lower Price River | 8845 |
| Sego | 9391 |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: ECW 43-05

API number: 4304738144

Well Location: QQ NWSW Section 5 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078

Phone: (435) 781-9111

Drilling contractor: CRAIGS ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035

Phone: (435) 781-1366

Water encountered (attach additional pages as needed):

| DEPTH | | VOLUME (FLOW RATE OR HEAD) | QUALITY (FRESH OR SALTY) |
|-------|-------|-------------------------------|-----------------------------|
| FROM | TO | | |
| 2,020 | 2,035 | NO FLOW | NOT KNOWN |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Formation tops: (Top to Bottom)

| | | |
|----|----|----|
| 1 | 2 | 3 |
| 4 | 5 | 6 |
| 7 | 8 | 9 |
| 10 | 11 | 12 |

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Mary A. Maestas

TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas

DATE 6/18/2008

| | | |
|--|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 5. LEASE DESIGNATION AND SERIAL NUMBER: U-01304 |
| 1. TYPE OF WELL Gas Well | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 7. UNIT or CA AGREEMENT NAME: |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078 | | 8. WELL NAME and NUMBER: E CHAPITA 43-05 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2002 FSL 0649 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 05 Township: 09.0S Range: 23.0E Meridian: S | | 9. API NUMBER: 43047381440000 |
| PHONE NUMBER: 435 781-9111 Ext | | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES |
| COUNTY: UINTAH | | STATE: UTAH |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: | <input type="checkbox"/> ACIDIZE | |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/10/2009 | <input type="checkbox"/> ALTER CASING | |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> CHANGE TUBING | |
| | <input type="checkbox"/> CHANGE WELL STATUS | |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | |
| | <input type="checkbox"/> DEEPEN | |
| | <input type="checkbox"/> FRACTURE TREAT | |
| | <input type="checkbox"/> OPERATOR CHANGE | |
| | <input type="checkbox"/> PLUG AND ABANDON | |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | |
| | <input type="checkbox"/> RECLAMATION OF WELL SITE | |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | |
| | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | |
| | <input type="checkbox"/> TUBING REPAIR | |
| | <input type="checkbox"/> VENT OR FLARE | |
| | <input type="checkbox"/> WATER SHUTOFF | |
| | <input type="checkbox"/> SI TA STATUS EXTENSION | |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | |
| | <input checked="" type="checkbox"/> OTHER | |
| | OTHER: Pit Closure | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The reserve pit on the referenced location was closed on 8/10/2009 as per the APD procedure. | | |
| Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY August 24, 2009 | | |
| NAME (PLEASE PRINT) Mickenzie Thacker | PHONE NUMBER 435 781-9145 | TITLE Operations Clerk |
| SIGNATURE N/A | DATE 8/21/2009 | |